



Daily Report

China

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General

PRC: Spokesman Comments on Situation in Qatar

OW2802093896 Beijing XINHUA in English
0926 GMT 28 Feb 96

[FBIS Transcribed Text] Beijing, February 28 (XINHUA) — China is concerned about the situation in Qatar and understands and supports the measures taken by the government of Qatar for maintaining stability there, said a Chinese foreign ministry spokesman here today.

Shen Guofang, the spokesman, made the remark when asked to comment on the aborted coup on February 17 in Qatar.

"We hope to see stability and prosperity preserved in Qatar under the leadership of His Highness the Amir Hamad", Shen said, adding that China is willing to further develop the existing friendly relations and cooperation between China and Qatar.

PRC: Asia-EU Talks Herald New Cooperative Spirit

OW2802014296 Beijing XINHUA in English
0036 GMT 28 Feb 96

[By Liao Zhenyun, Qi Deliang: "Asia-Europe Meeting To Usher in New Structure of cooperation"]

[FBIS Transcribed Text] Bangkok, February 28 (XINHUA) — Leaders from 25 Asian and European nations gather here Friday [1 March] for the first-ever top-level meeting between the two regions to usher in a new structure of inter-regional cooperation.

The unprecedented Asia-Europe Meeting (ASEM) is the first time in the history of relations between Asia and Europe that leaders of major countries from the two regions will meet on an equal footing to open a dialogue on cooperation in political, economic and other fields.

Attending the two-day get-together will be leaders from China, Japan, South Korea, the seven-member Association of Southeast Asian Nations (ASEAN) — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — and the 15-member European Union (EU), as well as the president of the EU Commission, Jacques Santer.

The first ASEM is a historic initiative intended to establish a new partnership between Asia and Europe based on the promotion of political dialogue, the strengthening of economic and trade relations and cooperation in various fields.

The meeting will focus on economic cooperation, particularly the expansion of trade and investment, though political issues will also figure in the talks.

In terms of setting up a new global structure for the 21st century, the first ASEM will have far-reaching and historic significance.

It will lay a solid foundation for promoting the development of both the Asian and European civilizations, maintaining peace and stability in the two regions, strengthening inter-regional economic cooperation and promoting global multi-polarization.

Moreover, it will promote mutual understanding and links between Asia and Europe, and pave the way for establishing a new Asia-Europe partnership based on equality.

The ASEM was proposed by Singapore Prime Minister Goh Chok Tong at the World Economic Forum in Singapore in October 1994. The Asian and European nations concerned have since responded positively to the proposal.

In preparation for the meeting, the EU adopted in December 1994 its "Toward a New Asia Strategy" and passed in March 1995 a resolution to support the convening of the ASEM.

An EU Commission statement issued in late January said that the first ASEM is of "important strategic significance" and will lead to a new decade of political dialogue and economic cooperation between the two regions.

The EU hopes that the meeting will give it an opportunity to exchange views with Asian countries on long-term political consultation and cooperation in the economy, trade and other fields, the statement said.

The rapid economic growth and vast market potential of East Asia offers an expanding export and investment market for the EU, and will inject new vitality into the EU's economy as a whole.

In Asia, the nations concerned have convened a series of meetings to coordinate their positions and draw up the blueprint for future Asia-Europe cooperation in all fields.

In particular, China has adopted an active and earnest approach toward the ASEM and hopes that it will help improve mutual understanding and cooperation between the two regions as well as play a positive, constructive role in creating a new Asia-Europe partnership.

After repeated consultations, the EU and the 10 Asian nations have agreed that the first ASEM will be held under the theme "Towards a New Asia-Europe Partnership for Greater Growth."

In addition, they have agreed that the promotion of political dialogue, the strengthening of economic relations

and the strengthening of cooperation in various fields will be the three general items on the agenda of the meeting.

As analysts have pointed out, there are broad prospects for economic cooperation between Asia and Europe.

Although suffering from a poor economic foundation, under-developed infrastructure, shortage of capital and lack of technology, Asia, particularly the East Asian region, has achieved rapid economic growth over recent years. Consequently, it has become a region with the most vigorous economic development in the world today.

According to latest statistics from the World Bank, the 10 East Asian countries made up a market worth 748.7 billion U.S. dollars in 1994.

Over the next 10 years, East Asia needs some 1.5 trillion dollars worth of investment for the construction of infrastructure facilities, creating vast market potential.

Economic and trade relations between East Asia and Europe have developed steadily over the past few years.

In 1994, East Asia replaced the United States as the largest export market for the EU, taking 18-percent of the EU's total exports.

However, in terms of the market share in East Asia, the EU has clearly lagged behind the United States. In particular, the EU's investment in East Asia accounted for only 1 percent of its total overseas investments between 1982 and 1992.

Two-way trade between the EU and the 10 Asian countries totalled 238 billion dollars in 1992, compared with 240 billion dollars between the EU and North America in the same year.

Consequently, economic and trade relations between Asia and Europe have much room for growth.

As the economies of Asia and Europe complement each other very well, the strengthening of economic cooperation between them not only conforms to the aspirations of both sides, but also to the fundamental interests of the nations of both regions.

Apart from strengthening their economic and trade cooperation, Asia and Europe need to promote political dialogue, further develop political relations and enhance mutual understanding.

Because of differences in social background and level of economic development as well as in historical and cultural traditions, it is natural that Asia and Europe have adopted divergent approaches toward certain political issues.

Therefore, the two sides, in discussing political issues, should respect each other, treat each other as equals, promote mutual understanding and establish mutual confidence through the exchange of views.

Only by seeking common ground while reserving differences will Asia and Europe be able to promote cooperation and create a new partnership conforming to the fundamental interests of the nations of both regions.

It is widely anticipated that Asia and Europe, while reviewing inter-regional relations in the past and looking into the future, will succeed in seizing the historic opportunity and jointly laying the foundation for promoting overall cooperation between them.

United States & Canada

PRC: Source Says High-Level Sino-U.S. Visits To Resume

HK2802065896 Hong Kong SOUTH CHINA MORNING POST in English 28 Feb 96 p 11

[By Ted Plafker in Beijing]

[PTS Transcribed Text for FBIS] China and the United States are to announce plans for the resumption of high-level official visits, according to a Western diplomat in Beijing.

"I would not be surprised to see cabinet-level visits from the United States to China in the course of the coming year ... and relatively high-level visits from China to the US," the diplomat said yesterday.

"In fact, there may be some visits announced on both sides in the next one to six weeks," he added.

Such a resumption of high-level exchanges would mark a clear reversal of the downward slide that Sino-US relations have suffered since last June, when Washington angered Beijing by admitting Taiwanese President Li Teng-hui into the United States.

Relations have been further damaged by issues such as trade, intellectual property protection and alleged arms sales by the Chinese.

Escalating tension between Taipei and the mainland in advance of Taiwan's presidential elections has also added to the sour note of Sino-US ties.

But the arrival two weeks ago of Washington's new Ambassador to China, James Sasser, appears to have given impetus to efforts on both sides to halt the downward spiral.

Speaking for the first time since his arrival, Mr Sasser said yesterday: "There is a difficult road ahead, but I'm

optimistic that progress is possible. The stakes are really too great for both countries not to make every effort to improve relations."

Mr Sasser has already had meetings with President Jiang Zemin and Foreign Minister and Vice-Premier Qian Qichen.

His meeting with Mr Jiang covered a wide range of topics, including China's imminent plans to conduct large-scale military exercises close to Taiwan.

The US had expressed reservations to Mr Jiang "about the danger of miscalculation, the danger of accident, and that we should be very careful in these endeavours to influence policy through military shows," the diplomat said.

In spite of the apparent improvement in ties, the US continues to warn that it is contemplating sanctions against China on two fronts: Beijing's alleged nuclear transfers to Pakistan, and its failure to satisfy the terms of last year's intellectual property rights agreement.

On the latter issue, the diplomat said China had made some progress but said there was a long way to go.

Sanctions in response to the Pakistan nuclear transfer, meanwhile, were "under consideration", the diplomat said, but no decision had been made. China has repeatedly denied making any illegal transfers.

Northeast Asia

PRC: Further on Li Peng's Meeting With Japanese Association Chairman

OW2702131096 Beijing XINHUA in English
1253 GMT 27 Feb 96

[FBIS Transcribed Text] Beijing, February 27 (XINHUA) — Chinese Premier Li Peng met with Ikuo Hirayama, chairman of the Japan-China Friendship Association, and his party here this afternoon.

Li expressed the hope that the non-governmental friendship organizations of the two countries will make new contributions to the development of Sino-Japanese relations and the enhancement of mutual understanding and friendship between the two peoples by actively conducting various forms of exchanges.

Hirayama, a noted Japanese artist, told Li that the Japan-China Friendship Association initiated last year the activity of reconstructing the walls of Nanjing City.

He said the activity is aimed at squarely recognizing the history and promoting the mutual understanding of the two peoples. He added that some 5,000 Japanese from all walks of life have visited Nanjing in connection with this work.

According to Hirayama, his association raised money to help the victims in the earthquake-stricken area of China's Yunnan Province. Also, the association is planning to help establish schools in China's poor and remote areas.

Li expressed his appreciation for the efforts of the Japan-China Friendship Association in promoting Sino-Japanese friendship. He thanked Hirayama and his association for their help for the unfortunate people in Yunnan.

PRC: Li Peng Tells Delegation China Has 65 Million Impoverished

OW2702134196 Tokyo KYODO in English
1311 GMT 27 Feb 96

[FBIS Transcribed Text] Beijing, Feb. 27 KYODO — Premier Li Peng said Tuesday China now has some 65 million people living below the official poverty level with most of them residing in inner regions.

Li made the remarks in a meeting with a delegation from the Japan-China Friendship Association and also said the number of China's officially recognized poor has decreased by 5 million, delegation head Ikuo Hirayama said.

Li told the delegation that he hoped the nongovernmental friendship organizations between the two countries could make new contributions.

PRC: Liaoning Officials Receive DPRK Party Officials 27 Feb

SK2802084296 Shenyang Liaoning People's Radio
Network in Mandarin 2200 GMT 27 Feb 96

[FBIS Translated Text] On 27 February, Wang Huaiyuan, deputy secretary of the provincial party committee, met at the Youyi Guesthouse in Liaoning with a delegation from the International Affairs Department of the Korean Workers Party Central Committee. The three-person delegation was headed by (Yu Yong-mun), head of a section in the International Affairs Department.

At the meeting, both sides talked in a very friendly atmosphere. Wang Huaiyuan expressed his welcome toward the visit of the delegation headed by (Yu Yong-mun). He also paid warm tribute to the glorious achievements of the socialist revolution and construction undertakings made by the DPRK people under the leadership of the Korean Workers Party, whose head is Comrade Kim Chong-il.

Section Head (Yu Yong-mun) held: Since reform and opening up, a sea-change has occurred on all China's

fronts. The economic development and market prosperity both impressed me.

In the end, both sides held unanimously that they would do their utmost, as they have always done, to continue to develop the great friendship cemented with blood and the amity and cooperation between the PRC and DPRK.

Joining the meeting and party were Li Guozhong, vice chairman of the provincial Chinese People's Political Consultative Conference [CPPCC]; Zhang Chenglun, vice chairman of the provincial CPPCC committee and head of the provincial United Front Work Department; Zhang Ruming, director of the provincial Foreign Affairs Office; Han Chol, the DPRK's consul general to Shenyang, and persons in charge from the related units.

The delegation arrived in Shenyang on 26 February. They visited the Shenyang Tobacco Plant and the (Wuai) market, and they will pay a visit to Panjin City and Yingkou City.

Near East & South Asia

PRC: Hu Jintao Receives Nepalese Communist Official

OW2702130396 Beijing XINHUA in English
1230 GMT 27 Feb 96

[FBIS Transcribed Text] Beijing, February 27 (XINHUA) — Hu Jintao, a Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with Madhav Kumar Nepal [name as received], general secretary of the Communist Party of Nepal (Unified Marxist-Leninist) (CPN), and his party here this afternoon.

Hu said that China and Nepal, who are good neighbors, enjoy a traditional relationship of friendship and cooperation. It is in line with the fundamental interests of both peoples to consolidate and promote the good-neighborly ties between the two countries, he added.

"We appreciate the policy of promoting friendship with China and the stand of supporting the Chinese government to safeguard its state sovereignty and territorial integrity, pursued by the Nepalese government and CPN", Hu told the visitors.

"We are willing to further enhance the friendly ties between the CPC and the CPN on the basis of the Four Principles concerning party-to-party relations", Hu told Nepal.

Describing the relations between the two countries and two parties as "good", Nepal said that the frequent contacts between the two sides have boosted mutual understanding and friendship.

He believed that his current China tour would further the bilateral links.

Nepal and his party are here on a visit at the invitation of the International Liaison Department of the CPC Central Committee. Head of the department Li Shuzheng held working talks with Nepal on Monday.

PRC: Saudi Arabian Finance Minister Arrives 27 Feb

OW2702114496 Beijing XINHUA in English
0757 GMT 27 Feb 96

[FBIS Transcribed Text] Beijing, February 27 (XINHUA) — Saudi Arabian Finance Minister 'Ibrahim Bin-'Abd-al-'Aziz al-'Assaf arrives here today for a week-long visit to China at the invitation of Wu Yi, Chinese minister of foreign trade and economic cooperation.

During his trip to China, 'Assaf is mainly to attend the first meeting of the Sino-Saudi Arabian Mixed Committee on Trade and Economy.

'Assaf is expected to meet with Chinese President Jiang Zemin and senior officials from the ministries of finance, railways as well as some leading business leaders.

The Saudi Arabian minister will also attend a seminar on China-Saudi Arabia trade and economic cooperation.

Officials from the Ministry of Foreign Trade and Economic Cooperation said that beside Beijing, Assaf and his party will also travel to Shanghai, China's largest industrial city, and Hainan, China's newest province and largest special economic zone.

West Europe

PRC: Luxembourg's Juncker Raises Human Rights Issue

BR2702162596 Luxembourg LUXEMBURGER WORT
in German 26 Feb 96 p 3

[Article by O. Mann: "Start of Official Visit to People's Republic of China: Prime Ministers Li Ping and Jean-Claude Juncker Discussed Mainly Bilateral Issues — Luxembourg Leader Also Raised Subject of Human Rights"]

[FBIS Translated Excerpt] Luxembourg Prime Minister Jean-Claude Juncker, accompanied by governmental colleagues Mady Delvaux-Stehres and Georges Wohlfart, several senior civil servants, and a major economic delegation, will be in the People's Republic of China until Thursday [29 February]. Yesterday's discussions between Prime Minister Li Ping and Jean-Claude Juncker centered on bilateral issues, though the latter also raised

the subject of human rights, and urged a peaceful solution to the conflict with Taiwan.

The Luxembourg delegation, led by Prime Minister Juncker, was welcomed yesterday morning at Beijing Airport by Chinese Deputy Electronics Minister Lu Xinkui [as published], and Pierre-Louis Lorenz, the Grand Duchy's Ambassador to China. [passage omitted]

"Expanding Economic Links"

The two prime ministers began their discussions before the official banquet. [passage omitted]

Concerning the state of human rights in China, Juncker drew attention to the high value attached by Luxembourg and other members of the European Union to respect for these fundamental rights. Luxembourg's prime minister, while acknowledging China's economic progress, reminded his opposite number of the need to ensure religious freedom, freedom of speech, and freedom of cultural expression.

Regarding the future of Hong Kong, Juncker stated that he hoped the Chinese leadership would stand by its commitment. As for Taiwan, he emphatically urged a peaceful solution to the conflict. [passage omitted]

Interview With Juncker in the People's Daily

Sunday's edition of the Beijing People's Daily [as published] carried an interview with Luxembourg's prime minister on its front page.

In advance of the visit, the Chinese press had published an interview given by Juncker to Chinese journalists in Luxembourg, in which Luxembourg's leader had acknowledged China's economic achievements, and the progress of economic reforms there. In the interview Juncker stressed his view that China's rapid economic development not only helped to raise its population's standard of living, but was also good news for humanity as a whole.

Prominence was also given to the passage in the interview in which Juncker rejected the idea that a stronger China could pose a threat to other countries.

Continued Discussions at Government Level

Prime Minister Juncker will meet two members of the Chinese government in Beijing today: Foreign Minister Qian Qichen, and Foreign Trade Minister Wu Yi. While Mady Delvaux holds discussions with Post Minister Wu Jichuan, Deputy Radio Minister Kiu Xiliang [as published], and Communications Minister Huang Zhendong, Luxembourg State Secretary Georges Wohlfart [name as received] will be received by Chinese Health Minister Chen Minzhang.

PRC: China Moves To Renew Diplomatic Ties With Vatican

HK2802083896 Hong Kong SOUTH CHINA MORNING POST in English 28 Feb 96 p 1

[By Agnes Cheung]

[PTS Transcribed Text for FBIS] China has taken the first steps in re-establishing diplomatic ties with the Vatican that have been suspended since the late 1950s.

Sources said yesterday that Beijing wanted to resume talks on re-establishing formal links with the Catholic Church. The last talks broke down after the 1989 Tiananmen Square massacre.

They said the new dialogue was likely to be conducted through the Chinese Embassy in Rome.

The initiative was conveyed to the Holy See through Archbishop Claudio Maria Celli, a papal representative for foreign affairs, who met officials in Beijing last month.

So far, Beijing has received no response from Rome, the sources said.

"From the Church's point of view, we hope the Vatican will restore relations with China because it will be significant not just to Catholics here, but also to the universal Church," said Liu Bainian, a vice-chairman of the government-controlled Chinese Catholic Patriotic Association.

However, he said Beijing was still demanding that the Holy See sever its ties with Taipei before restoration of relations with the mainland went ahead.

Other obstacles included Beijing's appointment of Chinese bishops and the question of the underground Church. It was China's unilateral appointment of bishops in the 1950s that saw official ties first broken.

Archbishop Celli's visit to China aroused concern from Church authorities in Taiwan.

The prelate wrote to senior island church leaders to apologise for not informing them beforehand of an intention to stop over in Beijing on his way to a humanitarian mission in North Korea to help flood victims.

Political analysts said Beijing's new move could be an attempt to win over "friends" from Taipei as the island had been active in developing its international status and foreign relations.

Despite the initiative for dialogue, Beijing has kept up its crackdown on underground Catholics who refuse to join the state-sanctioned church.

A number of churches in provinces like Hebei, Shanxi and Jilin — strongholds of underground Catholics — were fined or closed after failing to register with the Government as ordered.

Beijing has intensified the registration of all places of worship since January.

Some Catholics and priests were reportedly detained in the incidents, which were particularly serious in the run-up to the start of Lunar New Year.

Mr Liu denied that many Catholic churches were victims of the clean-up.

"We advise all open churches to register. Those that do not register will have problems ... but they are not religious problems."

Because of the large number of underground churches in the country, it is estimated there could be anything from four to 10 million practising Catholics in China.

Political & Social

PRC: Investigation of Chen Xitong Case Continues

HK2802093496 *Beijing CHINA DAILY in English*
28 Feb 96 p 1

[CD News: "Beijing Anti-Graft Effort Continues, Official Says"]

[PTS Transcribed Text for FBIS] Investigation into the malpractice of former Beijing Party Secretary Chen Xitong is continuing, and people involved in the case will be subject to punishment if they are found to have violated the law, the capital's top official said.

The Party's Central Discipline Inspection Commission is now scrutinizing Chen's case, according to Municipal Party Secretary Wei Jianxing.

One of the major anti-corruption tasks of the capital is to help the central government tackle Chen's case, yesterday's Beijing Daily quoted Wei as telling a recent meeting of the Commission.

The problems of some people involved in the case have been sorted out and will be turned over to the municipal authorities later this year for prosecution, Wei was quoted as saying.

"The anti-corruption fight of Beijing has never stopped. On the contrary, we will firmly carry it through," Wei said.

He demanded the city government and Party branch pay prime attention to corruption cases, particularly those found in finances, securities, real estate, land lease dealings and construction projects.

Wei said senior officials should not only discipline themselves, but also their subordinates, family members and office staff.

"The leader should also take responsibility if corruption takes place in his or her region or unit," Wei said.

Everyone should carefully study the speech by Party Secretary-General Jiang Zemin on strengthening study, political sense and candidness among government officials, Wei said.

He said the capital will draft regulations on the approval of major investments, land leasing and construction project contracts so that people know what rules to follow.

Wei also told the meeting that Beijing is to reinforce its supervisory mechanism this year.

The mechanism will clearly define the authority of government officials to prevent the centralization of power as in the case of Wang Baoshen.

"Power without restriction will inevitably lead to corruption," Wei said.

The capital will experiment with ways to restrict individual power, including exchange of officials and rotation of important posts to avoid nepotism.

Wei also pledged to make the decision-making process transparent to the public to restrain the abuse of power.

The people's congress, political consultative conference, democratic parties and people's organizations will also play a vital role in supervising government operation, Wei said.

PRC: Deng Xiaoping Reportedly in Zhuhai

HK2802031796 *Hong Kong HSIN PAO (HONG KONG ECONOMIC JOURNAL) in Chinese*
28 Feb 96 p 11

[Report: Deng Xiaoping Reportedly Spends Spring Festival in Zhuhai]

[PTS Translated Text for FBIS] According to a person who has contacts with the CPC hierarchy, Deng Xiaoping, accompanied by Zhuo Lin and other family members, arrived in Zhuhai before the Spring Festival to escape the cold, pass the winter, and welcome in the lunar new year. As it was bitterly cold in Beijing and Shanghai last winter, to ensure the old man's health doctors suggested that he move to the south. Originally he intended to go to Shenzhen, but later, considering that the environment there was not as quiet as in Zhuhai, he went to Zhuhai instead.

It is also learned that Deng's youngest son Deng Zhifang obeyed his father's instruction by selling his shares in Shougang Concord Grand (Group) Limited for a symbolic price of one yuan. At first, Deng Xiaoping only knew that Deng Zhifang worked for Rong Yiren at China International Trust and Investment Corporation [CITIC], but he was not aware that his son was engaged in business. Later, when the Zhou Beifang case came to light, Jiang Zemin gave Deng Xiaoping a briefing, touching on Deng Zhifang's involvement in the case. Apart from criticizing his son, Deng Xiaoping also ordered him to stop, and so Deng Zhifang withdrew from the Shougang Concord Grand (Group) Limited.

Deng has always been strict with his children. When the CPC Central Committee reorganized three major companies, i.e. CITIC, Everbright, and Kanghua, in 1988-89, Deng immediately ordered Deng Pufang, who took charge of Kanghua, to close it down.

PRC: NPC, CPMCC Reportedly To Emphasize Spiritual Civilisation*HK2802070096 Hong Kong SOUTH CHINA MORNING POST in English 28 Feb 96 p 11*

[By Xio Yu]

[PTS Transcribed Text for FBIS] The NPC's [National People's Congress] forthcoming session will place emphasis on the construction of spiritual civilisation, a line to be adopted at the sixth plenum of the Communist Party's 14th Central Committee, sources said.

The sixth plenum, which sources say could be held this week, will direct the party to put new effort into ideological and cultural development to remedy malpractices and corruption across the country.

To echo the party plenum, premier Li Peng will tell national legislators in his Government Work Report next week at the opening of the National People's Congress that spiritual civilisation must not be sacrificed in exchange for short-term economic growth.

Mr Li will call on governments at all levels to incorporate ideological construction into their overall planning for socio-economic development.

The administration will put greater effort into improving law and order, Mr Li says in his report.

A balance between economy and ideology has to be achieved, he says.

The party considers that the issue of spiritual civilisation directly affects the future development of the country in the 21st century.

Analysts said Mr Li's remarks were set to implement the resolution to be adopted by the sixth plenum.

The construction of spiritual civilisation was made the theme of the forthcoming party plenum by President Jiang Zemin, who is also party General Secretary.

Pinpointing the weakening of party leadership and serious law and order problems, Mr Jiang has demanded leading cadres "talk about politics" to resist temptations of money, power, fame and sex.

Party leadership and education for cadres are needed to be strengthened [as published], the top leader said.

Mr Jiang also called for improvement in ideological education, controls on news and publications, guidance in social activities and development in science and technology.

A close co-operation between the Army and civilians, as well as the honest conduct of party members, would also help promote spiritual civilisation, Mr Jiang said.

Analysts believe that Mr Jiang's ideas will constitute the major content of the resolution to be passed at the party plenum.

Earlier, Mr Li sought opinions from other parties and representatives of science and education circles to help design new measures to strengthen ideological development.

PRC: Qiao Shi Chairs NPC Standing Committee Meeting*OW2802101196 Beijing XINHUA Domestic Service in Chinese 0546 GMT 28 Feb 96*

[By reporters Zhang Sutang (1728 1372 1016) and Jia Fenyong (6328 1164 0516): "The 18th Meeting of the Eighth National People's Congress Standing Committee Held in Beijing"]

[FBIS Translated Text] Beijing, 28 Feb (XINHUA) — The 18th meeting of the National People's Congress (NPC) Standing Committee began today at Beijing's Great Hall of the People.

Chairman Qiao Shi presided over a plenary session this morning.

Wang Shuwen, vice chairman of the NPC Law Committee, made a report to the standing committee session concerning deliberations on the Draft Martial Law. Entrusted by a meeting of the chairman and vice chairmen, Gu Angran, chairman of the NPC Legislative Affairs Commission, reported on views on revising the Draft Law on Administrative Punishment and the Amended Draft of the Criminal Procedures Law.

The meeting deliberated on the NPC draft decision authorizing the people's congresses, their standing committees, and the Shantou and Zhuhai city governments to formulate laws, regulations, and rules to be enforced in their respective special economic zones.

The State Council has submitted four documents to the current meeting for deliberation: the Extradition Treaty Between China and Russia, the Extradition Treaty Between China and Belarus, the Treaty Between China and Hungary Concerning Judicial Assistance in Civil and Commercial Actions, and the Nuclear Safety Convention. Entrusted by the State Council, Li Zhaoxing, vice foreign minister, and Huang Qitao, director of the State Bureau for Nuclear Safety, respectively gave explanations of the treaties and the convention.

The meeting deliberated on the draft agenda for the Fourth Session of the Eighth NPC, the draft namelist of the presidium and secretary general of the Fourth Session of the Eighth NPC, the (draft) work report of the NPC Standing Committee, and the draft namelist of

people attending the Fourth Session of the Eighth NPC as observers.

Li Xuezhi, vice chairman of the Credentials Committee of the NPC Standing Committee, reported on the examination of credentials of deputies elected by by-election. Li Xuezhi said that since the 15th meeting of the Eighth NPC Standing Committee, seven NPC deputies have passed away, three recalled, and one resigned. Recently, the standing committees of local people's congresses elected nine deputies to the 8th NPC by by-election. The Credentials Committee has examined and confirmed the credentials of these nine deputies. At present, the total number of deputies to the 8th NPC is 2,974. Following deliberation, the meeting put the report to a vote and approved it.

Attending the meeting were Vice Chairmen Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Li Ximing, Wang Bingqian, Wang Guangying, Cheng Siyuan, Lu Jiayi, Buhe, Tomur Dawamat, and Wu Jieping; and Secretary General Cao Zhi. Also attending the meeting as observers were Chen Junsheng, state councillor; Ren Jianxin, Supreme People's Court president; and Zhang Siqing, Supreme People's Procuratorate chief procurator.

PRC: Standing Committee Announcement on Changes in NPC Deputies

OW2802083696 Beijing XINHUA Domestic Service in Chinese 0453 GMT 28 Feb 96

[FBIS Translated Text] Beijing, 28 Feb (XINHUA) — Announcement of the Standing Committee of the National People's Congress (NPC).

It is hereby announced: Since the 15th meeting of the Eighth NPC Standing Committee, seven NPC deputies have passed away: Beijing's Yang Mo (female), Fujian's Li Jingxi, Jiangxi's Li Peiyao, Sichuan's Yao Wuding and Zhang Meihui (female), Yunnan's Li Rongchang (Yi Nationality), and Shi Chu of the People's Liberation Army. Three deputies have been recalled: Beijing's Chen Xitong, Liaoning's Liu Xiangrong (Hui Nationality), and Guangdong's Lin Liangxiao. One deputy has resigned: Heilongjiang's Jin Yuchun (Man Nationality).

Recently, standing committees of local people's congresses have elected by by-election nine deputies to the Eighth NPC: Beijing's Zhuang Yi (female), Heilongjiang's Tian Fengshan, Fujian's Chen Mingyi and Li Xiuji, Shandong's Chang Chunfa, Guangdong's Lu Ruihua, Guangxi's Wei Baohua (Zhuang Nationality), Sichuan's Song Baorui, and Yunnan's Wang Rongkun (Yi Nationality). The NPC Standing Committee has ap-

proved the examination report of the Credentials Committee concerning the credentials of deputies elected by by-election and affirmed the validity of the credentials of Zhuang Yi (female), Tian Fengshan, Chen Mingyi, Li Xiuji, Chang Chunfa, Lu Ruihua, Wei Baohua (Zhuang Nationality), Song Baorui, and Wang Rongkun (Yi Nationality) as deputies to the Eighth NPC.

At present, there are a total of 2,974 deputies to the Eighth NPC.

The NPC Standing Committee

28 February 1996

PRC: NPC Standing Committee Considers 3 Draft Laws

OW2802125496 Beijing XINHUA in English 1246 GMT 28 Feb 96

[FBIS Transcribed Text] Beijing, February 28 (XINHUA) — Three draft laws, including Martial law, were submitted once again for deliberation to the 18th meeting of the Eighth National People's Congress (NPC)'s Standing Committee, which opened here today.

In an explanatory report on the draft Martial Law delivered at today's meeting, Wang Shuwen, vice-chairman of the NPC Law Committee, said this was an indispensable law for a sovereign state.

It is of vital importance in maintaining national unity, security and social stability, and to protect the legal rights and interests of Chinese citizens, he said.

The vice-chairman said this was the optimum time for the introduction of the law to be considered, and suggested it be released as soon as possible after necessary modification.

Gu Angran, chairman of the Commission of Legislative Affairs of the NPC Standing Committee, suggested that the revised draft law on Administrative Punishment Law and the Amendments to the Law of Criminal Procedures should contain more details, and the scope of application for administrative punishments should be specified.

In the course of discussions, representatives from some localities and central government departments made amendments to a number of articles in the Amendments to the Law of Criminal Procedures. These included detention times, condition of arrests and the release of offenders on probation.

The revised draft laws stipulated, on the basis of experts' opinion, that the majority of cases should be handled within the required time limit, with an aim to protect the legal rights and interests of suspects, and defendants by shortening the period of time spent in custody.

PRC: NPC Endorsement Expected To Boost Jiang Zemin 'Stature'*HK2802070496 Hong Kong HONGKONG
STANDARD in English 28 Feb 96 p 6*

[By Pamela Pun]

[PTS Transcribed Text for FBIS] Chinese President and party chief Jiang Zemin will get a boost in stature in the upcoming legislative session with the official endorsement of his economic beliefs.

For the first time, China's National People's Congress (NPC) will endorse Mr Jiang's economic beliefs as the guideline for the country's future development into the next century, according to Chinese sources.

Pro-Beijing newspapers and official agencies said the NPC session, starting next Tuesday, will approve the first five-year plan worked out by the young generation of leaders headed by Mr Jiang.

The sources also said the party boss would hold a meeting of party member NPC delegates and Chinese People's Political Consultative Conference (CPPCC) members on Sunday to ensure the annual sessions go smoothly.

The CPPCC's session starts on 3 March and the NPC meets on 5 March.

Mr Jiang's economic initiatives will be embodied in Premier Li Peng's government report, which will be tabled for debate and endorsement.

Mr Li, political arch-rival of Mr Jiang in the post-Deng Xiaoping era, will acknowledge officially that the president's political and economic development beliefs will be the guidelines for China's economic strategy for the next 15 years.

Mr Li will read the government's draft of the Eighth Five-Year Plan (1996-2000) and a development blueprint up to the year 2010 to delegates for final endorsement.

Sources said Mr Jiang would make a speech at a closed-door meeting to brief the Communist Party NPC deputies and CPPCC members about the present political and social situation. Sources said party member deputies would be asked to toe the party line during the sessions.

To enable party members to attend the internal briefing meeting, all NPC deputies and CPPCC members were asked to arrive in Beijing two days early, the sources said.

China watchers and analysts said Mr Jiang was eager to see his first medium and long-term economic blueprints adopted.

Zeng Peiyan, director of general office of the Central Leading Group in Economic and Financial Affairs, which Mr Jiang heads, said the five-year plan and 15-year economic development blueprint would show the ability, daring and resolution of the third generation leadership with Mr Jiang at its core to lead the party, the nation and the Chinese people toward the next century.

Instability stemming from the recent Yunnan earthquake, the Qinghai snowstorm, the failed satellite launch and rampant crime has prompted the Communist Party leadership to stress maintaining law and order and stable economic development.

Thorny issues such as rampant corruption and worsening crime across the country are expected to be hot topics for debate on the floor in upcoming legislative and advisory group sessions.

Earlier this month, NPC vice-chairman Li Peiyao was robbed and killed by a former soldier of the People's Armed Police near his Beijing home.

Shocked by the incident, authorities have tightened security measures in the capital city in the days leading up to NPC and CPPCC meetings.

The CPPCC standing committee yesterday started a three-and-half day preparatory meeting for the session, according to Xinhua.

PRC: CPPCC Standing Committee Holds Plenary Session 28 Feb*OW2802122996 Beijing XINHUA Domestic Service
in Chinese 1018 GMT 28 Feb 96*

[By reporter Zhu Dongju (2612 0392 5468): "The 15th Meeting of the Standing Committee of the Chinese People's Political Consultative Conference National Committee Holds a Plenary Meeting"]

[FBIS Translated Text] Beijing, 28 Feb (XINHUA) — The 15th Meeting of the Standing Committee of the Chinese People's Political Consultative Conference (CPPCC) National Committee held a plenary meeting this morning. Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee and chairman of the CPPCC National Committee, presided over the meeting.

The meeting approved the namelist of members, elected by by-election, of the Eighth CPPCC National Committee. It has been learned that of the 25 members newly elected by by-election, 13 are CPC members, 9

are members of democratic parties, and three have no party affiliation. One of them is a woman and two are from minority nationalities. Following the by-election, the Eighth CPPCC National Committee has a total of 2,111 members.

The meeting also approved the (draft) agenda and itinerary for the Fourth Session of the Eighth CPPCC National Committee, the ways to form groups at the Fourth Session of the Eighth CPPCC National Committee, and the namelist of people for convening group meetings. The meeting also listened to explanations by Wang Zhaoguo, vice chairman of the CPPCC National Committee, on the proposed (draft) namelist of vice chairmen and executive members to be elected by by-election of the Eighth CPPCC Committee.

CPPCC National Committee Vice Chairmen Ye Xuanping, Wu Xueqian, Yang Rudai, Hong Xuezhi, Deng Zhaoxiang, Qian Weichang, Hu Sheng, Qian Zhengying, Sun Fuling, Ma Man-kei, Zhu Guangya, and Wan Guoquan, and Secretary General Zhu Xun attended the meeting.

PRC: CPPCC National Committee Approves 25 New Members

OW2802123996 Beijing XINHUA in English
1228 GMT 28 Feb 96

[FBIS Transcribed Text] Beijing, February 28 (XINHUA) — The National Committee of the Chinese People's Political Consultative Conference (CPPCC) approved 25 new members here today.

The name list, which was approved at the plenum of the 15th session of the Standing Committee of the Eighth National Committee of the CPPCC, consists of the following persons: Wang Qiren, Wang Zuoshu, Wang Liangtuan, Wang Zhongkang, Ai Zhisheng, Zhu Weifang, Liu Yi, Liu Zhiqiang, Xu Bainian, Yang Yaohuan, He Guangyuan, Song Hanliang, Zhang Daocheng, Chen Yongzhu, Lin Kaiqin, Zheng Zhiying, Zhao Zhanyue, Hu Ping, Hu Tiyun, Duan Yongji, Xu Zhijian, Peng Yigang, Zeng Zhonglang, Xie Youqing and Teng Jinxian.

Thirteen of the new members are also members of the Communist Party of China, nine are from non-communist parties and three are non-party personages.

The National Committee of the CPPCC now has a total of 2,111 members.

PRC: CPC Ready To Expand Links With Foreign Parties

HK2802084096 Beijing CHINA DAILY in English
27 Feb 96 p 1

[By Ma Chenguang: "CPC To Widen External Links"]

[PTS Transcribed Text for FBIS] The Communist Party of China (CPC) is ready to enlarge its diplomatic activities with foreign political parties and organizations, a senior CPC official affirmed yesterday.

Seeking common ground irrespective of social system or ideological difference, the Communist Party is making great efforts to build external relations, said Li Shuzheng, head of the Party's International Liaison Department.

Since the early 1980s, the CPC has been developing external contacts with political parties and organizations of all types, other than those which are regarded as fascist or racist. Links have so far been established with about 300 parties in over 120 countries.

Last year the CPC received delegations from more than 150 parties in Asia, Europe, Africa, North America and South America.

And senior CPC leaders travelled to countries in Eastern Europe, Asia, the Asia-Pacific region and Latin America. Their visits have proved useful for learning about the experiences of other parties, for establishing more political ties, and for promoting economic and cultural co-operation.

The officials, including Political Bureau members Ding Guangen and Wei Jianxing, made a variety of visits including high-level delegations, special surveys, economic co-operation meetings and academic exchanges, Li said.

She emphasized that, at present, the main purpose of establishing and developing party-to-party relations is to promote mutual understanding and friendship. This is done on the basis of equality and mutual benefit, and to promote peace, development and international relations.

The CPC would never try to export its principles to other parties or meddle in the internal affairs of other countries, Li added.

"It is a world of diversity and all countries differ from each other in one way or another. The CPC believes that matters concerning each nation should only be subject to the judgement of the parties and people of that country," she said. Parties of all countries have the right to determine their own affairs according to their respective conditions. The CPC fully respects the independence and rights of other parties, she added.

Li said the CPC maintains that all parties should treat each other with equal respect. No party should impose its views and practices on others. This applies to parties with different ideologies as well as those with similar ones.

Rights of other parties to make their own decisions on domestic and foreign policies are of fundamental importance in handling inter-party relations. "The difference in ideologies and values should not become an obstacle for inter-party exchanges," Li confirmed.

The CPC will study and draw on all the positive experiences of other parties, but will reject the ideologies and values forced upon it by others, Li noted.

"The CPC's door remains open. It will, as always, develop friendly contacts with parties of all countries, and will continue to contribute to China's socialist modernization, to world peace and development, and to the prosperity of the forthcoming century," Li stressed.

PRC: Ren Jianxin Interviewed on Law, Order

*HK2802035396 Beijing LIAOWANG in Chinese
1 Jan 96 No 1, pp 11-12*

["Exclusive interview" by staff reporter with Ren Jianxin, member of the secretariat of the CPC Central Committee and secretary of the Central Commission for Political Science and Law; date and place not given: "Create Stable and Fine Political and Social Environment"]

[PTS Translated Text for FBIS] The Fifth Plenary Session of the 14th CPC Central Committee prescribed the Ninth Five-Year Plan and long-term objective up to the year 2010 for national economic and social development. Whether this plan and objective can be smoothly accomplished depends to a large extent on whether we have a stable and fine political and social environment. In this sense, the political-legal front has a grave responsibility.

How should political and legal departments further safeguard stability and provide effective support for reform and development? With this question in mind, our staff reporter interviewed Ren Jianxin, secretary of the CPC Central Committee Secretariat and secretary of the Central Commission for Political Science and Law.

[Reporter] Over the past few years, marked results have been achieved in the "stern crackdown" campaign and comprehensive improvement of social order. In many places, a fine social order and general mood have been maintained alongside rapid economic growth, resulting in a gratifying downward curve of criminal cases over a period of some years in a row. However, in some other places, leaders have been indifferent to serious public

security problems and ineffective in their measures to redress them. There, major criminal offenses have been continuously increasing by wide margins, social vices have been spreading, and the masses have been very critical of the situation. How can we reverse this situation as soon as possible?

[Ren] To stabilize the incidence of criminal offenses; to gradually bring down the high growth rate of big and extra-big criminal offenses; to implement measures for the comprehensive improvement of social order at the level of grass-roots units in urban and rural areas; to maintain a fine public order; and for the majority of the general public to have a sense of security: These are the main objectives of our political and legal work now and for some time to come. To achieve this, we must unswervingly adhere to the principle of "stern crackdown," assess lawful stern punishment to all kinds of criminal offenders who have seriously disrupted social order, and curb the growth rate of big and extra-big criminal cases. All political and legal departments should at all times avoid and redress promptly the problem of weak crackdown and strengthen such crackdown. First of all, they should have a profound understanding of the necessity and long-term nature of conscientious implementation of the "stern crackdown" principle, so that they can rectify their ideas about law enforcement. They should fully and correctly understand and implement the principle of "stern crackdown" and embody this principle in every link of their operation, such as filing and reconnaissance, arrest and prosecution, condemnation and assessment of penalty, and reformation under surveillance. Second, they should highlight the focus of crackdown and identify and adjust the focus in accordance with new developments of criminal activity. The focuses of crackdown during the Ninth Five-Year Plan period are: serious violent crimes, especially those involving the use of firearms; production of and trafficking in narcotics; hooligan gangs and other criminal gangs of a mafia nature; transnational and cross-border crimes; and so on. It is of especial importance to fully appreciate the serious damage that criminal syndicates can cause, take a firm attitude and stern measures to destroy them completely in the bud, and never allow them to strike root and obtain a foothold. Third, we should strengthen coordination and cooperation among various political and legal departments. When cracking down on criminal offenders who have seriously undermined social order, we must do so sternly and quickly and never shift the responsibility to others or let criminals have their own way. Party committees and political and legal commissions at all levels should strengthen coordination regarding major or difficult cases and their supervision over the handling of cases that have major implications. In the meantime, party committees and governments at

all levels should take substantive measures to help political and legal departments improve the environment for law enforcement in the process of "stern crackdown." Fourth, the principle of sternness should be embodied in any revision of the existing law and any judicial interpretation, so as to provide powerful legal weapons. We must consistently and unremittingly investigate and ban such social vices as prostitution and patronizing prostitutes; abduction of and trafficking in women and children; drug abuse; gambling; and production and selling of pornographic and illegal publications and audiovisual products. We must never relax this effort.

While reinforcing the "stern crackdown," we should implement all measures for the comprehensive improvement of social order among grass-roots units in urban and rural areas. During the Ninth Five-Year Plan period, we should continue to implement the two "Decisions" adopted by the party center, the State Council, and the Standing Committee of the National People's Congress on strengthening comprehensive improvement of social order; work hard to explore new ways and new experiences of doing a good job of the comprehensive improvement of social order in the context of developing the socialist market economy; and improve the leadership responsibility system for the comprehensive improvement of social order and implementation measures, so that they are more scientific and standardized and the actual results of comprehensive improvement of social order are truly correlated to the performance assessment and the career path of leading cadres. The responsibility system for management by objectives of the comprehensive improvement of social order should be introduced in an all-round way and the awards and penalties mechanism improved in grass-roots units. It is necessary to improve the integrity of various public order management systems; reinforce preventive measures in key industries and at key points; continue joint defense for the protection of railways; strengthen management of the floating population with concrete measures; and effectively prevent and reduce all kinds of public security problems and criminal cases. Great efforts should be made to strengthen grass-roots capital construction for the comprehensive improvement of public security; appoint a fully staffed and capable deputy leadership for township, town, and neighborhood party and government organizations specifically in charge of the comprehensive improvement of social order; reinforce grass-roots political and legal institutions in townships and towns; and strengthen organizational building with grass-roots party branches at the core. It is necessary to introduce a public security joint defense system with the officers and men of public security forces as its mainstay and with the active participation of the masses; do a good job of the "three fives" [san wu 0005

0063] education aimed at disseminating the ABC's of law; strengthen education for youth in law and morality; effectively reform "double-inferior pupils" [shuang cha sheng 7175 1567 3932]; and continue to run reformatory schools well. Substantive efforts should be made to do a good job of placement, help, and education for those who have been released after serving their sentences or completing their term of reeducation through labor, so as to reduce recidivism. It is necessary to conduct a variety of activities for reaching the prescribed targets in comprehensive improvement of social order. We should strive to achieve the following goals by the end of this century: 80 percent of regions nationwide reaching the targets in their comprehensive improvement of social order, and 30 to 40 percent becoming advanced regions in managing public security. It is necessary to strengthen propaganda and theoretical studies on the comprehensive improvement of social order and step up the formulation and improvement of laws and regulations regarding the comprehensive improvement of public security.

[Reporter] The problem of embezzlement and corruption is also a major factor affecting social order. How will political and legal departments continue to work strenuously on big and important cases and promote the campaign against corruption and encouraging honesty in government administration?

[Ren] An important measure is to help leading cadres at all levels better understand the major significance of sternly punishing embezzlement and bribery and pushing ahead with the anticorruption campaign. The handling and punishment of big and important cases of embezzlement and bribery should be conducted under the unified leadership of party committees. The judicial organs at all levels should take the initiative to promptly report any important circumstances and major issues that arise in the course of investigating and handling big and important cases to the chief comrades in charge of the party committees, the chief leading comrades, and the competent departments at a higher level, so as to obtain instructions and support from the latter and ensure the healthy, smooth progress of the campaign against corruption and graft. Party committees and governments at all levels should support and help political-legal departments in breaking through obstructions, overcoming interference, and sternly punishing criminals guilty of embezzlement and bribery. The procuratorates and courts at all levels should strengthen coordination and cooperation with discipline inspection and supervision departments to form joint forces. It is necessary to further improve the supervisory mechanism against corruption, and in support of clean government conduct and organically integrate supervision from party committees,

governments, people's congresses, local committees of the Chinese People's Political Consultative Conference, the general public, and the media. Steps should be taken to phase in an anticorruption scenario with unified leadership by the party committees, joint management by party and government organizations, shared responsibility among relevant departments, effective supervision by all circles of society, and extensive participation by the masses.

[Reporter] Economic crime will continue to increase for some time to come. What measures will be taken to tackle this?

[Ren] Party committees, governments, and political-legal departments at all levels must regard cracking down on economic crime as an important task directly serving reform, opening up, and economic construction. They should attach great importance to it, strengthen leadership over it, and accomplish it with urgency. The following offenses should be focused on during the period of the Ninth Five-Year Plan: fraud in financial, commercial, and foreign trade; cheating on, forging, and illegally selling VAT [value-added tax] receipts to obtain export rebates from the state by deception and other crimes undermining the state tax regime reform; smuggling and trafficking in smuggled goods; producing and marketing fake and inferior products; and crimes in securities market, futures market, and real estate market transactions. At present, we should concentrate on handling such serious criminal offenses as tax fraud, tax evasion, arbitrage of exchange, and smuggling; firmly put an end to "substituting monetary penalties for criminal sentences"; safeguard a normal economic order; and ensure the healthy development of the socialist market economy. Those holding public office who use their power to violate the law, commit crimes, or neglect their duty, causing grave losses to the state, must be sternly punished according to law. Economic management and administrative law-enforcement departments should improve their systems, strengthen management, plug loopholes, promptly hand over any crime-related issues discovered to the judicial authorities, and give active support to the handling of such problems.

It is necessary to adapt ourselves to the deepening of economic structural reform, further strengthen law enforcement, energetically push ahead with the institutionalization of the socialist market economy, and create a fine legal environment for macroregulation and control. To strengthen judicial procedures in the handling of economic cases is an urgent requirement for safeguarding the socialist market economic order. During the Ninth Five-Year Plan period, people's courts at all levels should appropriately increase the strength of ad-

ministration of justice regarding economic offenses and vigorously improve their law-enforcement capability. Special attention should be given to impartial law enforcement and firm efforts made to overcome local and departmental protectionism. They should strictly forbid relevant departments from overstepping their authority and meddling in economic disputes or trying to solve economic disputes by such means as taking hostages, while adopting effective measures to protect the legitimate interests of the affected parties. It is necessary to strengthen and reform the notarization system for lawyers, set up a contingent of notaries suited to the development of the socialist market economy, and provide high-quality and efficient legal services for the establishment and development of the socialist market economic system. Active efforts should be made to join forces with relevant departments to inspect the implementation of economic laws and regulations in conjunction with the rectification of economic order, so that existing laws are obeyed, law enforcement is strict, and violators are prosecuted. This will contribute to the building of new standards and a new order of socialist market economy.

[Reporter] To do this work well, we need a just, honest political-legal contingent which enforces the law strictly and is trusted by the people. At the moment, however, the public is very critical of some members of the political-legal contingent who do not follow the law, fail to enforce the law strictly, fail to prosecute violators of the law, or abuse their powers. What is your comment on this problem? How can we solve it?

[Ren] Strict law enforcement is the most important manifestation of implementing the spirit of the Fifth Plenary Session of the 14th CPC Central Committee, adhering to party democratic centralism, safeguarding the center's authority, and ensuring the smooth execution of party and state orders and decrees. It is urgently required by the effort to safeguard the socialist market economic order and support the smooth progress of reform, opening up, and modernization. It is an important aspect of strengthening the building of socialist democracy and socialist spiritual civilization. If state laws fail to be strictly enforced, there will be no smooth execution of government orders to speak of. If we fail to effectively redress outstanding problems at present, such as failure to enforce existing laws, failure to enforce the law strictly, failure to prosecute violators, and abuse of power, it would certainly undermine the dignity of the socialist legal system, compromise the public's rights and interests, and take away from the authority of our party and state to a serious extent. The party committees, governments, and political and legal departments at all levels should implement the spirit of the Fifth Plenary Session of the 14th CPC Central Committee in

greater depth; fully understand the great significance of strict law enforcement; investigate and redress all kinds of problems in law enforcement with a most serious and conscientious attitude; and make sure that state laws and regulations are strictly executed.

Political and legal departments at all levels should perform their duties scrupulously, enforce the law strictly, and faithfully discharge the sacred responsibility of law-enforcement organs. They should not only strictly enforce substantive laws but also strictly enforce procedural laws. They should ward off interference and prevent unlawful case-handling by strictly enforcing such legal systems as legal supervision, open trial, the collegial system, and advocacy. It is necessary to popularize a well-developed and complete post responsibility system for strict law enforcement, especially the system for handling violations by law enforcers and misjudged cases. All those who fail to abide by existing laws, neglect their duty, or even are corrupted by money and sell out the law for bribes or bend the law for the benefit of relatives or friends should be seriously investigated and prosecuted. The central political and legal departments should step up the formulation of work procedures for ensuring strict law enforcement at their respective levels on the basis of reviewing the experiences of various localities in their experimentation, and use scientific and well-structured systems to guarantee strict law enforcement.

All political and legal departments should establish and develop their internal supervision system. In particular, they should strengthen the leadership, guidance, and supervision of the higher authorities over their subordinates. Specific systems should be improved whereby authorities can regularly find out how their subordinate departments have been doing in law enforcement and put right any problems discovered. The subordinate political-legal departments must obey and implement the judgments and decisions made by higher law-enforcement departments in handling cases.

Political and legal departments should conscientiously subject themselves to supervision by the state power organs, legal supervisory organs, and discipline inspection and supervision organs. They should conscientiously process queries, proposals, comments, and suggestions put forward by people's congress deputies; firmly redress any problems related to law enforcement discovered in the course of supervision; and actively cooperate with the parties concerned in investigating and handling law and discipline-violation cases. Political and legal departments should, according to law, not only strengthen their mutual cooperation but also strengthen their mutual checks and balances. While executing their duties of supervision over law enforcement in an all-round way,

people's procuratorates should also look carefully into the issue of subjecting themselves to supervision. With the support of party committees and the standing committees of people's congresses, we should continue to conduct well the annual general inspection of law enforcement in a conscientious way and continue with the "two opens and one supervision" system whereby we are under the supervision of the general public and all circles of society. All political and legal departments should take the initiative to engage representatives from all walks of life as law enforcement supervisors and set up a mass supervision network.

Party committees should strengthen their leadership over political and legal work. The party's leadership over political and legal work is mainly in the areas of ideology, politics, principles and policies, and organization. Its aim is to guide, support, and supervise judicial organs in the lawful execution of their duties. Strengthening the party's leadership totally agrees with strengthening the socialist legal system. Party committees at all levels should do a good job of party building and the building of leadership groups on the political-legal front; lead and supervise political-legal departments in handling affairs in strict accordance with the law; and support political-legal departments in overcoming any interference, enforcing the law impartially, and striving to improve the environment and conditions of law enforcement. Party and government leaders at all levels must also reinforce their awareness of the law and their legal consciousness; always work within the confines of the Constitution and laws; set an example in abiding by state laws and regulations; prevent and overcome such unhealthy tendencies as substituting word of mouth for the law, overriding the law with administrative authority, and local protectionism and departmental protectionism; and take the lead in safeguarding the dignity and uniformity of the legal system.

I believe that if we start working on these aspects and gradually improve internal and external supervisory and constraining mechanisms, we are bound to be able to build an impartial and honest political and legal contingent which enforces the law strictly and is trusted by the people, and to create a stable and fine political and social environment for accomplishing the Ninth Five-Year Plan and the long-term objective for the year 2010.

PRC: Beijing 'Not Planning To Send Any More Aid' to Qinghai*HK2802065396 Hong Kong EASTERN EXPRESS in English 28 Feb 96 p 13**[By Didi Kirsten Tatlow]*

[PTS Transcribed Text for FBIS] An official from the Ministry of Civil Affairs' disaster relief bureau said yesterday that the central government was not planning to send any more aid to the disaster-struck mountains of Qinghai province, where 25,000 nomadic herders face starvation.

The herders have been enduring blizzards since November and relief workers, who are struggling to distribute food and fuel to them, said yesterday that they hoped to reach the stricken area by early next week.

The rescue of the 70,000 herders trapped by the region's harshest winter in a century would be a "close thing", a rescue worker said.

Most herders are believed to have just a few days' food left, and some are already going hungry.

A three-member delegation from the international medical relief organisation, Medecins Sans Frontieres, was to meet the governor of Qinghai province, Tian Chengping, last night to explain their intentions for the disaster area.

A disaster relief bureau official, surnamed Zhang, denied reports the government of Yushu Tibetan Autonomous Prefecture had no money to launch a rescue operation by itself.

"It's wrong (to say) they have no money," he said.

"However it is true they are quite poor up there. This matter is not the responsibility of the central government; it is the responsibility of other levels of government.

"We have already given money," Zhang said if there was adequate need, the central government might react.

Meanwhile, the Belgian government announced yesterday that it had donated US\$500,000 (HK\$3.9m) to the effort to get food and fuel to the herders.

The four-month bout of freezing and stormy weather has seen their cattle die and food supplies disappear.

The announcement buoyed the emergency relief team which was waiting for budgetary approval to launch its rescue effort.

The Medecins Sans Frontieres team expected to discuss details of relief cooperation with the Qinghai province governor, their field co-ordinator, Serge Depotter, said.

He said they had already discussed the rescue plan with "political, health and agricultural authorities" in the disaster zone in the Yushu Tibetan Autonomous Prefecture.

Depotter said the Belgian government's donation helped to cover 50 per cent of their needs.

He warned the amount was far from adequate for the problem, however.

"All our financial activities are not fulfilled," Depotter said.

"Purchasing contracts in the region (need to be) worked on", in the meeting with Tian, he said.

After buying supplies, it would take at least two days to reach the isolated herders. Most areas in need could only be reached on horseback.

Officials in small towns across the region had promised to supply horses that would help relief teams penetrate the highland region, whose altitude exceeds more than 5,000 metres in places.

In addition to the 25,000 herdsmen facing imminent starvation, a further 55,000 herders, most of whom are ethnic Tibetan, have lost 80 per cent of their cattle.

The herders have been eating barley, normally an animal feed, to stay alive after their cattle died.

With the exhaustion of dried dung fuel stocks, there was no heating left in the region and herders had begun to burn wood from their homes in an effort to keep warm in temperatures that have been reported to drop below -40C.

PRC: More Opportunities, Better Conditions Promised for Women*OW2702163596 Beijing XINHUA in English 1600 GMT 27 Feb 96*

[FBIS Transcribed Text] Beijing, February 27 (XINHUA) — China is determined to provide more opportunities and a more favorable environment for women's development.

Huang Qicao, vice-chairwoman of the All-China Women's Federation, made the remark at a news conference here today.

Last September China successfully hosted the UN Fourth World Conference on Women (FWCW) in Beijing, showing the new image of Chinese women during China's reforms and opening-up period, and promoting cultural and economic exchanges between Chinese women and women in the rest of the world.

Huang said, "Educational conditions, living standards and health care for women were improved last year, and more women took part in China's social and economic construction."

By 1995 illiteracy was eliminated among more than three million women, and as a result an international prize was given to the All-China Women's Federation by the UN Educational, Scientific and Cultural Organization (UNESCO) during the FWCW.

A total of 96 million rural women were given practical skill training, and 580,000 of them have become economic leaders in their villages.

In 1995 the Children's Foundation of the All-China Women's Federation received donations totalling over four million, helping 100,000 poor girls return to the classroom.

The year 1996 is the first year of China's Ninth Five-Year Plan (1996-2000). Huang pointed out that work should emphasize improving women's quality and offering more vocational training to help rural women get rich and unemployed women in cities find jobs.

Also, March 8 of 1996 is the 86th Women's Day, and various activities will be held to celebrate the festival. Some outstanding women will give speeches across the country, and a photo show to feature current Chinese women's conditions is to be held in Hong Kong.

PRC: Report on Crime, Punishment for 27 Jan-25 Feb

OW2802094096

[FBIS Report] The following is a compilation of reports on crime, sentencing, punishments and other judicial-related activities in the PRC monitored during the period from 27 January to 25 February 1996. The source and mode of processing are given in parentheses after each report:

Shanghai Radio Reports Nationwide Crimes During 1995

According to statistics from a concerned department, public security organizations throughout the country solved more than 1.35 million cases of crimes of various kinds in 1995, including more than 510,000 serious criminal cases. This is the latest information received by this station from the Ministry of Public Security. (Summary) (Shanghai People's Radio Network in Mandarin 2300 GMT 27 Jan 96)

Shanghai Radio Reports Arrest of CHONGQING RIBAO Reporter

CHONGQING RIBAO reporter Chen Min was arrested by police in Guizhou's Zhengyi city on 14 January for possessing 105.5 grams of heroin. Chen Min was attempting to bring back the heroin to sell in Chongqing City. (Summary) (Shanghai People's Radio Network in Mandarin 2300 GMT 30 Jan 96)

Xinjiang Executes 11 People for Committing Serious Crimes

The Urumqi city Intermediate People's Court 31 January announced death sentences for 11 criminals convicted for crimes of robbery and rape. The criminals were executed following the announcement. (Summary) (Urumqi Xinjiang Television Network in Mandarin 1300 GMT 31 Jan 96)

Sichuan Executes 11 Murderers and Rapists

The Nanchong city Intermediate People's Court in Sichuan Province held public trials and announced sentences from 9 to 24 January. Eight murderers were sentenced to death and executed, as were three serious rapists. (Summary) (Chengdu SICHUAN RIBAO in Chinese 3 Feb 96, P 2)

Guangdong Executes 14 Robbers and Murderers in Guangzhou City

Fourteen criminals who committed robbery and murder were sentenced to death by the Guangzhou city Intermediate People's Court and were executed by shooting on the morning of 6 February. (Summary) (Guangzhou YANGCHENG WANBAO in Chinese 6 Feb 96; p 1)

Zhejiang Sentences Four Robbers to Death, Executes One Killer

The Hangzhou City Intermediate People's Court 6 February announced the verdicts of 22 criminals and sentenced four robbers and killers to death. Another rapist and killer was sentenced to death and executed on 6 February with the approval of the Zhejiang Higher People's Court. (Summary) (Hangzhou ZHEJIANG RIBAO in Chinese 7 Feb 96; p 5)

People's Bank of China in Inner Mongolia Fines Hong Kong Residents

Two Hong Kong residents by the surnames of Deng and Peng illegally operated futures transactions in Inner Mongolia's Baotou City and were handled by the Baotou Branch of the People's Bank of China. Their illegal handling fees were confiscated, and they were ordered to pay a 10,000 yuan fine. (Summary) (Hong

Kong ZHONGGUO TONGXUN SHE in Chinese 0657 GMT 8 Feb 96)

Jiangxi Investigates, Handles Bribery Cases Involving 67 Cadres

Procuratorates at various levels in Jiangxi Province investigated and handled bribery cases involving 67 cadres at county and department level during 1995. Procuratorial organizations received 2,268 reports from the people on economic crimes last year. (Summary) (Hong Kong ZHONGGUO XINWEN SHE in Chinese 1139 GMT 8 Feb 96)

Beijing Executes Eight Serious Law Offenders

By order of the Beijing Higher People's Court, the Beijing No.1 Intermediate People's Court on 9 February executed eight criminals who committed murder, robbery, and other crimes. (Summary) (Beijing XINHUA Hong Kong Service in Chinese 1254 GMT 10 Feb 96)

Fujian Improves Security Around Foreign-Funded Enterprises

Security departments in Fujian's Quanzhou city have made efforts to strengthen public security to improve the investment environment for foreign-funded enterprises and have solved 102 cases of blackmailing and other crimes. There are more than 5,300 foreign-funded enterprises in the city. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 0858 GMT 12 Feb 96)

Hainan Cracks Down on Serious Crimes

The president of the Hainan Higher People's Court in a report to the Fourth Session of the First Hainan Provincial People's Congress pledged to strengthen efforts to crack down on serious crimes. According to President Tian Zhongmu of the Hainan Higher People's Court, people's courts in the province handled 2,216 criminal cases last year, and 1,299 offenders were sentenced to fixed terms of five or more years, life imprisonment, or death. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 0858 GMT 12 Feb 96)

Supreme People's Court Announced Serious Tax Fraud Cases

Gu Shaoguang, former general manager of Quansheng Industrial Company, Limited, in Guangdong's Shenzhen City, was sentenced to death and executed by firing 12 February with the approval of the Supreme People's Court. Gu Shaoguang collaborated with several others to use fraudulent methods to get duty drawbacks totalling more than 106 million yuan from November 1994 to May 1995. Three other criminals involved in the case were sentenced to death with suspension of execution

for two years. (Summary) (Beijing XINHUA Domestic Service in Chinese 0915 GMT 12 Feb 96)

Shanghai Court Sentences, Executes 18 Criminals

The Shanghai No. 1 Municipal Intermediate People's Court implemented an execution order issued by the Shanghai Municipal Higher People's Court on 13 and 14 February. Eighteen criminals were executed. (Summary) (Shanghai People's Radio Network in Mandarin 2300 GMT 14 Feb 96)

Sichuan Sentences Two Murderers to Death

A public trial of two criminals was held in Chengdu 15 February, and the two were sentenced to death and subsequently executed on murder charges. (Summary) (Chengdu Sichuan Television Network in Mandarin 1130 GMT 15 Feb 96)

Shanghai Sentences Securities Dealer

The Shanghai Municipal No. 2 Intermediate People's Court 16 February sentenced a former securities dealer to 14 years' imprisonment on charges of misappropriating company funds for illicit stock and bond trading. (Summary) (Shanghai People's Radio Network in Mandarin 2300 GMT 16 Feb 96)

Shanghai Court Sentences Rare Animal Hide Dealer to Imprisonment

The Shanghai Hongkou District People's Court 16 February sentenced two men to fixed term imprisonment of 6 years and 4 years respectively for illegal selling of Northeastern tiger hides. (Summary) (Shanghai People's Radio Network in Mandarin 2300 GMT 16 Feb 96)

Northwest Provinces Crack Down on Narcotics

Shaanxi, Gansu, Ningxia, Qinghai and Xinjiang have in recent years strengthened efforts to crack down on drugs and formulated local regulations on banning narcotics. The five provinces and autonomous regions have now established 70 corrective and rehabilitation centers for drug users. (Summary) (Beijing XINHUA Domestic Service in Chinese 1131 GMT 25 Feb 96)

Military & Public Security

PRC: Balance of Power in CMC Said Moving Away From Jiang

HK2802065696 Hong Kong SOUTH CHINA MORNING POST in English 28 Feb 96 p 10

[By Willy Wo-Lap Lam]

[PTS Transcribed Text for FBIS] The power balance in the top echelon of the PLA [People's Liberation Army]

has shifted in favour of generals Zhang Wannian and Zhang Zhen.

Military analysts in Beijing said yesterday Central Military Commission Chairman and President Jiang Zemin's ability to command the allegiance of the other members of the policy-setting body had been cast in doubt by the unceremonious firing of his protege, the commander of the People's Armed Police (PAP), General Ba Zhongtan.

They said whatever power that Mr Jiang had lost had been picked up by the fast-rising commission Vice-Chairman General Zhang Wannian, 67, and his ally and mentor, fellow Vice-Chairman General Zhang Zhen, 81.

The replacement of General Ba, whose friendship with Mr Jiang dates from the early 1980s, is deputy commander of the National Defence University, Lieutenant-General Yang Guoping.

General Yang is considered close to both Zhangs. General Zhang Zhen was a long-time head of the university.

And General Yang served under General Zhang Wannian when the latter was commander of the Jinan Military Region in the early 1990s.

Analysts said Mr Jiang had initially resisted the forced retirement of General Ba, who was made to take responsibility for the murder of National People's Congress vice-chairman Li Peiyao by a PAP guard.

Diplomatic analysts said the initial idea had been that only lower-ranking PAP officers would take the rap.

On February 13, the official media announced that the commander and political commissar of Beijing's No 1 PAP detachment had been cashiered because of the Li affair.

The decision to sack General Ba and the PAP political commissar Major-General Zhang Shutian was taken two days later at a meeting at the headquarters of the military police.

Military sources said General Zhang Wannian gave the keynote speech on the occasion, in which he underscored the importance of the correct political attitude among army and PAP officers.

The Ba affair coincided with an uncharacteristically low profile adopted by Mr Jiang from February 18 until yesterday, when he met with the visiting Luxembourg premier Jean-Claude Juncker.

The only major report about Mr Jiang was a People's Daily article yesterday about a trip he paid to the northeast in mid-1995.

Military sources said General Zhang Wannian, a former chief of staff, owed his promotion to Central Military Commission vice-chairman last September mainly to General Zhang Zhen.

The younger general is set to rise higher given the fact he has been virtually put in charge of Taiwan policy.

Last winter, two Zhang proteges became commander and commissar of the strategic Shenyang Military Region.

PRC: Start of 'Localised War Games' Confirmed by Fujian Official

HK2802040496 Hong Kong EASTERN EXPRESS
in English 28 Feb 96 p 10

[By Sauw Yim and Dennis Engbarth in Taipei]

[PTS Transcribed Text for FBIS] The PLA [People's Liberation Army] has started localised war games along the coast of Fujian, a run-up to a large-scale military exercise aimed at influencing Taiwan's first direct presidential election next month.

A government official at Fuqing, a coastal city in the province, yesterday confirmed military drills began a few days ago.

"Even though there is a military exercise, we won't release information because this is a top government secret," the official said.

A Taiwan Defence Ministry spokesman said the People's Liberation Army would hold an exercise near Pingtao Island on the southeast Fujian coast, and possibly simultaneously carry out exercises at Dongshan and Nanao islands.

Defence Ministry sources say mainland troops assembled in Fujian are preparing for what may be a two- or even three-stage exercise before the Taiwanese poll on March 23.

The sources confirmed the PLA units now in Fujian include the 162nd (Fast Reaction) Division of the 54th Group Army, usually stationed in Shandong province, and the First and Second brigades of the 43rd Division of the 15th Parachute Corps.

President Lee Teng-hui said yesterday considerable progress had been made in the "nationalisation and institutionalisation" of the island's military and that "second-generation" weapons modernisation should be completed within four years.

Defence Minister Chiang Chung-ling said the military would persist in its 10-year streamlining plan, reducing

the island's forces to 416,000 soldiers by June 30, 1996, and to 400,000 by 2002.

PRC: Australian Diplomats Say Strait War 'Highly Likely'

HK2802040296 Hong Kong EASTERN EXPRESS in English 28 Feb 96 p 1

[By Christiaan Virant]

[PTS Transcribed Text for FBIS] Australian diplomats based in Beijing have warned their Hong Kong counterparts of an imminent war between mainland China and Taiwan, just days before the mainland is to begin a series of large-scale military manoeuvres off the coast of southern Fujian province.

A diplomatic source said Beijing-based Australian defence attaches have sent repeated and strong warnings about the possibility of war to the Australian consulate general.

The warnings said that an outbreak of hostilities is highly likely in the near future as the two sides continue to disagree over basic issues of sovereignty and democratic development.

"If not this year then the next," the source quoted the defence attaches as saying.

The source did not know if the warnings were sent to Canberra or just to the consulate general.

The Australian consulate general was unavailable for comment last night.

The warnings are the most serious and direct to date by the diplomatic community, and are being taken very seriously in Hong Kong, the source added.

Other reliable sources, however, dismissed the warning, saying that forthcoming war-games are aimed at intimidating Taiwan on the eve of landmark presidential elections, and carry no serious military threat.

"Even if they wanted to, the mainland could not invade Taiwan without a tremendous and embarrassing loss of life," a source said.

The People's Liberation Army began moving air, land and sea forces to Fujian province earlier this month for a series of war-games expected in early March.

Taiwan's Central News Agency (CNA) has ordered a blackout on all news about the mainland's military build-up in Fujian.

Sources inside CNA said yesterday that the war-games reports were banned by the CNA president, Shih Ke-min, who is acting on the orders of Taiwan President Lee Teng-hui.

Last August, CNA covered up news of mainland military exercises off Shandong province after closed-door meetings with the Defence Ministry. The CNA reporter who broke the story before the blackout was transferred from the news department.

CNA receives a substantial amount of funding from the ruling Kuomintang. It is regarded as Taipei's official mouthpiece.

PRC: Liu Huaqing Speaks on Need for 'Powerful Army'

OW2802005596 Beijing Central Television Program One Network in Mandarin 1100 GMT 22 Feb 96

[From the "National News Hookup" program]

[FBIS Translated Text] On 21 February, General Liu Huaqing, member of the CPC Central Committee Political Bureau Standing Committee and vice chairman of the Central Military Commission, visited commanders and fighters of the First Company of the Guard Battalion under the Guangzhou Military Region in Guangzhou and wished them a happy new year. [Video shows Liu, seated in a row with other senior army officials and talking to soldiers in a military dormitory. Liu is also seen singing karaoke with the soldiers]

Comrade Liu Huaqing first went to the battalion's mess hall to have a firsthand look at how the battalion's meals are served and to inquire after the menu during the Spring Festival. He also inquired in detail about commodity prices and the battalion's life. He was glad to learn that the battalion has a three-mu vegetable plot, is self-sufficient in vegetable supply, and serves four-dishes-one-soup meal all the year round. Later, he proceeded to visit a company's dormitory. He shook hands with all of the fighters there and exchanged new-year's greetings with them. When fighters aired their views about the drive launched by the battalion on the "four educations," Comrade Liu Huaqing said: Your battalion was one of the Red Army's battalions from the Jinggangshan area. You must be very proud of serving in Guangzhou. You must preserve well and carry forward the Red Army's glorious tradition. A country must have a powerful army. Even when a country has developed and its people become better off, it still needs a powerful army to protect it. Comrade Liu Huaqing also inquired in detail after the condition of this battalion's building in all areas. He pointed out: To make all the members of the battalion possess general military skills, it is necessary to lay a solid ideological foundation and to train politically-qualified cadres and fighters. The army needs to give priority to ideological and political building at all times. It must always study

new situations and solve new problems. It must also improve political education's effectiveness.

During the spring festival, Vice Chairman Liu Huaqing and General Political Department Director Yu Yongbo also visited some veterans of the Guangzhou Military Region and military organs' cadres on duty.

PRC: Jiang Zemin Signs PLA Oil Regulation Decree

OW2802103996 Beijing XINHUA Domestic Service
in Chinese 0430 GMT 28 Feb 96

[By Zhang Dongbo (1728 2639 3134) and Zhu Cheng (4555 6134): "Jiang Zemin Signs a Decree Promulgating the 'Oil Regulations of the People's Liberation Army of China'"]

[FBIS Translated Text] Beijing, 28 Feb (XINHUA) — Jiang Zemin, chairman of the Central Military Commission, signed a decree a few days ago on the promulgation and implementation of the "Oil Regulations of the People's Liberation Army (PLA) of China."

The regulations are divided into 10 chapters and 46 articles, including general principles, duties, oil assurance, oil equipment assurance, technology assurance, oil storage, management of filling stations, training and scientific research, war preparation, awards and punishment, and supplementary articles. The regulations take Mao Zedong military thinking, Deng Xiaoping army building thinking in the new period, and Chairman Jiang Zemin's general requirements for army building as guidance and relevant laws and regulations as a basis; absorb the historical experience of our army in oil work; and affirm successful practices of the armed forces in recent years in reforming the oil supply and management structure, operation structure, and so on.

A concerned official in charge of the PLA General Logistics Department said that the regulations are the first systematic basic regulations of our army for standardizing oil work. Their implementation signifies that oil work in our army has entered a new stage of comprehensive construction and development. The official said that with the increase in our army's mechanical equipment, the consumption of various kinds of fuel oil, lubrication oil, grease, and special solutions for military equipment will notably increase; and the position and role of oil assurance in all logistics assurance will become more and more prominent with each passing day. The development of the socialist market economy has also given rise to new situations and many new problems in our army's oil work. The formulation of basic regulations on oil work has become inevitable.

PRC: JIEFANGJUN BAO Staff Study Jiang Speech
HK2802033496 Beijing JIEFANGJUN BAO
in Chinese 7 Feb 96 p 1

[Article by Zheng Wen (6774 2429): "Be Devoted to the Party's Journalistic Task, Work Hard To Run JIEFANGJUN BAO Well — Sidelights on JIEFANGJUN BAO's Drive To Study and Implement Chairman Jiang's 'Talks to Cadres At and Above Division Level in JIEFANGJUN BAO Office'"]

[PTS Translated Text for FBIS] Brimming with political zest, all comrades at our office have been conscientiously studying Chairman Jiang's "Talk to Cadres At and Above the Division Level in the JIEFANGJUN BAO Office" over the past few days. With a strong sense of responsibility, mission, and urgency, we have been trying to look for shortfalls, and have been studying ways of implementing various measures in the light of the actual situation in our office. Our common aspiration is to devote ourselves to the party's journalistic task and put Chairman Jiang's important directives into practice. Attaching Importance to Politics in All Practical Aspects of Running Our

Newspaper

Acting in accordance with the instruction of the leadership of the Central Military Commission [CMC] and the General Political Department, JIEFANGJUN BAO has taken the study and implementation of the "Talk" as a task of primary importance. All comrades at the office are doing their best to conscientiously study and profoundly grasp the essence of the talk in the light of Chairman Jiang's speech at the Fifth Plenary Session of the 14th CPC Central Committee and the inscriptions written by the CMC leaders for JIEFANGJUN BAO. We all agree that in the successful running of a newspaper, the most important thing is to uphold our clear-cut party spirit and principle and attach importance to politics. In attaching importance to politics, the most fundamental requirement is that we must firmly embrace the concept of the party's absolute leadership over the Army, obey the commands of the Party Central Committee and CMC with Comrade Jiang Zemin as the core, consciously maintain a high degree of unity with the party Central Committee, resolutely implement the party's theory, line, principles, and policies as well as the CMC's resolutions, instructions, and orders, and maintain the true political colors of the people's Army

On the basis of summing up past experience, we all agree that to uphold our clear-cut party spirit and principles in journalistic work, we must insist on the correct guidance of public opinion. Public opinion must contribute to the upholding of the party's absolute

leadership over the Army, and guide cadres and fighters to maintain a high degree of unity with the party Central Committee in ideological and political matters. It must contribute to the implementation of the party's basic line in the new period and guide cadres and fighters in unswervingly following the socialist road with Chinese characteristics. It must contribute to the unity of the country, the solidarity of all nationalities and social progress, and guide cadres and fighters to successfully accomplish the historical mission which the Constitution has entrusted to them. It must contribute to the promotion of socialist cultural and ideological progress and guide cadres and fighters in maintaining the purity of their thinking and ethics.

Work Hard in Implementing the Principle of "Two Services" in Running Newspapers

"Serving the modernization of the country and the armed forces, and serving the consolidation and improvement of the combat effectiveness of the armed forces" is a basic principle which JIEFANGJUN BAO must always firmly uphold. The comrades all said that this is the responsibility of JIEFANGJUN BAO and also where the value of JIEFANGJUN BAO lies.

The comrades of the general editorial department and the political work department put forward the idea that firmly upholding the "two services" involves keeping up with the deployments by the Central Committee and CMC and keeping up with the key work of the forces. It is necessary to seek propaganda results accurately, swiftly, and in a timely way. Comrades in the theoretical department, cultural department, liaison department, logistics construction department, and pictorial department, in the light of the realities of propaganda, pointed out that not only do the news pages have to follow the center, but the specialized pages and supplements also have to put their talents to full use in keeping up with the center.

Grasping and giving importance to headline reports is an important way of implementing the "two services." All departments and offices, in the light of their own specific tasks, must seriously plan how to grasp headline reports well. The military department is focusing on questions such as the implementation of new period military strategic policies, and how modern combat capacity of the armed forces is being improved, and while selecting topics, organizing its strengths to write about them. The commentary department is preparing to put resolute efforts into selecting and carefully writing major commentaries. The theoretical department is now organizing two series of articles on politics and on clearly delineating eight boundaries in developing the "four types of education."

Putting Efforts Into Improving Propaganda Skills

Chairman Jiang's instructions with respect to the need to "stress propaganda skills" elicited strong resonance in the JIEFANGJUN BAO office. Everyone held that if this problem is not resolved well, it will be difficult to implement the stress on politics. An important method for resolving this problem is to "go deeper, go deeper, go even deeper."

The newspaper's party committee decided to implement throughout the whole office the practice already implemented for over three years whereby reporters go down to the companies to investigate at the grass roots, work in posts, and serve as soldiers. Thus, the editorial department and reporters are being organized to go in groups down to the units to serve as soldiers and work in other posts.

In improving propaganda skills, it is also necessary to do well in journalistic reform. The office has already decided on the five-character goal of "short, new, real, deep, lively." It is required that the leaders and high-level editors in the various departments and offices act as models in implementing the "five characters."

Everyone clearly recognizes that in terms of propaganda skills, JIEFANGJUN BAO is still lacking compared to its sister news units RENMIN RIBAO and XINHUA. We must certainly study and take reference from their fine experiences, fine work, and fine articles.

Building an Excellent Journalistic Contingent

The newspaper's party committee has grasped the building of the contingent as the key in implementing Chairman Jiang's talks, and stressed the grasping of the four links of "selection, utilization, management, and education." Each link has its specific targets, requirements, and measures.

In accordance with Chairman Jiang's requirements, everyone formulated their own self-study plans in the light of their own weak links. The political department actively created study conditions for everyone. It ran reading classes and arranged study days so that everyone could study Deng Xiaoping's theory of building socialism with Chinese characteristics. By arranging lectures and setting compulsory readings, it promoted the study of high-tech knowledge. Through providing specialized guidance and organizing discussions, it promoted the study of journalistic skills.

The building of professional ethics is a focal point to which all are giving attention in this study. The newspaper's party committee decided that on the basis of the "education in resisting check-book journalism" and "education in consciously safeguarding the image

of JIEFANGJUN BAO" over the last two years, it is necessary to further deepen education in philosophy of life, and continue to grasp well party management of cadres, further strengthen organization, and ensure a correct atmosphere.

Everyone indicated that our study has just begun and we certainly must be modest and prudent in this, and must not disgrace our mission. We must run JIEFANGJUN BAO even better and, with absolute sincerity and together with our many readers, leap into the next century.

PRC: LIAOWANG Examines PLA Marine Corps

*HK2802092896 Beijing LIAOWANG in Chinese
25 Dec 95 No 52, pp 26-27*

[Article by Huang Caihong (7806 1752 5725): "Select Troops and Strong Contingents Have Been Tempered Into Steel—An Account of China's Marine Corps"]

[PTS Translated Text for FBIS] In October this year China's Marine Corps engaged in joint exercises with the various arms of the services in a particular marine area. The island landing and amphibious warfare exercises which were participated in by the marines and which this reporter observed were grand and awesome.

Under a powerful fire cover of missiles and artillery launched by destroyers at sea, the marines who had been transported by amphibious tanks as well as amphibious armored vehicles, assault craft, hovercraft, and destroyer-based helicopters, rushed onto the island beach with the force of a sudden clap of thunder. Multi-echelon formations of landing forces charged up the beaches from all directions and swiftly established beach-head positions. The entire amphibious landing warfare exercise was a success.

This Marine Corps force, which is referred to as "a fierce tiger on land, a dragon at sea, and a powerful eagle in the air," was established in 1980. Its command headquarters is located at a place called Haiguanlou [3189 7070 2869] in southern China. In the tower of the headquarters, the Marine brigade commander Zhou Naiwen [0719 0035 2429] noted by way of explanation that China's marines are a new-type amphibious warfare force comprising over 10 types of troops including marine infantry, artillerymen, scouts, armored force troops, tank troops, airborne troops, diving troops, missile troops, and communications troops.

High Intensity Skills and Military Training

China's Marine Corps has successively experienced training and testing in tropical areas where temperatures reach 60 degrees Celsius and freezing regions where temperatures plunge to -30 degrees. The Marine forces

move across four main sea areas—the Nanhai, Donghai, Huanghai, and Bohai. Through their experiences under the different climatic conditions of the tropical, semi-tropical, and frigid zones, they have worked out warfare plans which are in accord with modern warfare conditions and whereby they can travel, eat, sleep, and fight in different climates and in a variety of environments.

In 1988, the Marine Corps displayed its talents for the first time in defending territorial sovereignty over the Nansha [Spratly] Archipelago and safeguarding the state's maritime rights and interests, for which they were commended by the Central Military Commission. Chief of the General Staff at that time, Chi Haotian, wrote an inscription for this force: "Select troops and strong contingents have been tempered into steel. Attacking or defending, they are invincible."

In 1987, General Kelly, commander-in-chief of the U.S. Marines, after watching military exercises by the marine forces, said: "The mental attitude of China's marines is good and they are well-conditioned. In terms of basic training, there are some aspects that are even better than the U.S. Marines. You have every reason to feel proud." Having come to a modern training area which can handle exercises involving sea, land, and air forces, this reporter recorded a few figures relating to the training of China's Marine Corps:

A team of 10 persons each carrying equipment weighing in excess of 40 jin needs only 17 minutes to cover a five-kilometer cross-country course. This is seven minutes faster than ordinary forces. Marines need only two minutes and 11 seconds to cover a 400-meter course with 10 major obstacles of international military standards, including a four-meter high ladder, a five-meter high rope ladder, and a 40-meter long wire cableway. One male marine in a 100-meter rifle rapid-fire exercise hit 10 targets in 12 seconds. A female marine using two guns, one in either hand, eliminated five of the "enemy" with five shots. The cooking team with their equipment on their back, after travelling two kilometers cross country, only needs 40 minutes to whip up three dishes, soup, and a pot of rice sufficient to feed a company.

The scouts can break five bricks with a single hand and four bricks with their head, and are also able to drive cars, motorcycles, and tanks.

Three amphibious tanks engaged in firing exercises while floating at sea all hit their targets on the first shot.

On a beach in the South China Sea, the midday sun was blazing and the surface temperature was about 60

degrees Celsius [as published]. Marines wearing protective clothing and in full battle outfits were conducting joint war drills involving anti-nuclear, anti-chemical, anti-air attack, and anti-landing activities. Following the commands of the commanding officer, they conducted round after round of exercises, falling into prone position, crawling, leaping forward, shooting, and charging. One man fell and he was carried away, while the others continued training. Others fell, and they were also carried away while the remainder continued to train. Only after six hours did the last man fall. When they removed this last marine from his suit, they poured out two full bowls of sweat.

When winter came, the marines went to the frozen north. They were given only a cotton quilt and an army greatcoat, and yet they were able to spend nights on bivouac in the open with temperatures plunging below -10 degrees. In the howling winter winds, they marched for over six hours daily and even conducted field exercises in severe temperatures as low as -30 degrees. This tempered their will.

Prior to joining the marines, the largest expanse of water that Lu Xiankui [4151 0341 1145] had seen was the pond in front of his village. Four months after joining the force he was taken to a particular gulf to engage in training at sea. With the protection of two veterans, young Lu went crying and shaking into the sea. It is hard to believe that after a month he was "playing tricks" in a leisurely and carefree way in the sea. A sea-swimming requirement for the marines is that they must be able to swim 500 meters with a load of 20 kilograms.

The Xisha [Paracel Islands] are wild, uninhabited islands with all sorts of dangers. Eleven marines, each carrying only 2.5 jin of rice, one canister of drinking water, one liang of salt, and a packet of matches had to live for 10 days on these isolated, desolate, and uninhabited islands. To survive, company commander Gao Dong [7559 2639] led them in collecting wild fruit, gathering shellfish, fishing, and shrimping. Thereby they were able to make a "feast." However, after 10 days they were all still more than 10 jin lighter.

In the wild seas, a number of landing craft proceed at high speed. Then suddenly, with a clank, their doors open and amphibious tanks and armored transport vehicles pour out, in an endless stream, into the rolling billows of the ocean. These 10-plus-ton iron steeds which rule the roost on land were tossed about in the sea like small boats. One moment they rose on the crest of a wave and the next disappeared into a trough. The marines inside the iron steeds were, while vomiting, also maintaining a close watch through the one-inch-thick glass windows on their assault formation and were

concurrently taking aim at their intended targets. When they first began, the gunners were usually unable to hit their targets, but after they had delved into those thick texts "Firing at Sea," "Oceans and Tides," and "Fluid Mechanics," they had been trained into sharpshooters who could shoot swiftly and accurately. In the report on this training, it was noted that three of the tanks had, while afloat, hit their targets with their first shots.

Strict Psychological Training

China's Marine Corps does not treat psychological training as a separate element of training. Rather, psychological training is melded with physical and technical training. This ensures that no matter under which conditions they are fighting, the troops will dare to engage in hand-to-hand combat, and emerge as victors.

The psychological training received by the marines is, specifically, a type of courage training. That is, in an environment likely to cause fear in people, they are taught through their own efforts to give play to their own skills and abilities so as to overcome difficulties and dangers and thereby gradually establish a mental attitude by which they have self-confidence, can overcome fear, can pass tests, and can achieve mental leaps. Cheng Wubin [4453 2976 2430], deputy leader of an amphibious scout team under the Marine Corps, had not long joined the marines when, on a wet and stormy night, he was ordered to proceed alone to collect "intelligence" in an isolated and desolate cemetery. He was told: "A person has just been buried there today" and at the same time advised: "The persons you least need to fear in life are the dead." He bravely completed his task. This was obvious tempering for this person, who later became an outstanding military officer in amphibious warfare.

The fine psychological qualities of military personnel are more fully manifested in their ability to face danger fearlessly and face alarms without becoming rattled. Sniper training manifests in a centralized way the high mental demands placed on snipers. In live-ammunition firing training for sniper riflemen, the snipers must evenly shoot off sections of a 4-cm-wide piece of wood. To do this, for each section, they have to fire four bullets evenly across the piece of wood, and then another bullet at the top to shoot off that section. This method is a test of the mental qualities of the marksmen.

The mental qualities of the marines is directly related to the length of their period of training, how intense and difficult it is, and the things included in the training. In training where assault boats operate at sea independently, an assault craft struck trouble, and

begun to drift further and further out to sea. The two marines on the boat thus faced the test of being alone without assistance, being without drinking water, and having no way to contact others. When the two men were found, they were quite calm. When recruits first experience parachute training, most are quite nervous. After repeated jumps, they have a saying: "Before boarding the aircraft, you piss a lot, when you leave the aircraft you sweat a lot, and after you hit the ground, you do a lot." Clearly, when the jump out of the sky into the motherland's seas or its land territory, their exhilaration is difficult to describe. Up till now, not one accident has occurred among the Chinese marines who have participated in parachute jumps, and according to the jump training personnel, this is because their mental qualities are good.

"Force Among Forces" in the Marines

From the window of the jolting jeep, far on the distant beach within a high enclosing wall could be seen two towering three-story buildings. This is a base of the amphibious scouts who are known as the the "force among forces" in the Chinese marines.

On the afternoon we came to this unit, the scouts were engaged in training involving the climbing of buildings. We could see marines, as nimble as monkeys and without any support equipment, clambering up the three stories and onto the roof using window ledges, wall corners, and pipes as footholds. The unit commander Xu Qiusheng [1776 4428 3932] told us that amphibious scouts are chosen through stringent selection, and unit members must meet the physical standards of skindivers. Apart from training in various types of infantry weapons, they are also trained in 18 military skills including swimming while fully armed, parachute jumping, underwater demolition, the driving of boats and vehicles, wrestling, hand-to-hand combat, scaling cliffs, sand table exercises, and map reading.

Xu Qiusheng is himself an amphibious scout who is practiced in 18 military skills. He has on many occasions demonstrated for people both within and outside the Army, as well as international friends, his "capturing enemy personnel who hijacked a vehicle": From a speeding motorcycle, he leaps into the driving cabin of a lorry and, after knocking out the vehicle hijackers, recaptures the vehicle.

Gao Dong, the commander of the second company, is a good-looking young man with large eyes. With his

five "best disciples" standing dignified and strong, he vividly explained to us how they carry out training of "frogmen."

So-called "frogman" training involved using a submarine to take the amphibious scouts to a deep place in the gulf, only a few kilometers from enemy-held territory. The scouts swim out into the deep sea through the torpedo tubes, and then in great secrecy they swim at the bottom of the ocean toward the enemy-held territory, where they collect intelligence on the enemy, damage enemy facilities, and harass enemy forces.

Petty officer first-class and squad leader Yang Honghai [2799 4767 3189], when describing the feelings he has as he climbs into the torpedo tube, said: "When you hear the clunk of the rear hatch closing behind you, your heart truly goes cold...." Indeed, it is not difficult to imagine what it is like deep in the ocean climbing into a pitch-black torpedo tube and waiting for over an hour as the pressure is slowly brought up to that on the ocean floor, before the forward hatch is opened. That would be a very difficult hour! Further, after coming out of the torpedo tube, the frogmen might be subject to attacks by sharks, sea snakes, or jellyfish.

Tian Guoyou [3944 0948 0645], political instructor of the amphibious unit, also told us the following story: On one occasion, two scouts were in an assault craft engaging in training. Suddenly, their engine failed and the currents pushed the boat further out into the open sea. That evening, as dusk was falling, they were fortunately rescued by a passing ship. Later, people asked them what they were thinking about during the incident. They replied: We were making calculations and figuring that if we drifted to an island, we would put the boat upright and use the fuel to light a fire as a distress signal.

The superb military qualities and indomitable workstyle and discipline of the amphibious force have been highly praised both within and outside the military. For example, today, retirees from the amphibious force have become prime targets for local enterprises seeking to recruit skilled personnel. The 40-plus veterans who have retired from the force in the last two years have been "specially recruited" by local enterprises.

General**PRC: Experts Discuss 1996 Macroeconomic Policy**

HK2802034596 Beijing JINGJI RIBAO in Chinese
28 Dec 95 pp 1, 3

[Report: "Achieve 'Soft Takeoff' Amidst Tight Operations — Experts Comment on Macroeconomic Policy Orientation for 1996"]

[PTS Translated Text for FBIS] Editor's note: As the chimes of the clock herald the new year, the curtain on the Ninth Five-Year Plan is about to be raised. The Chinese economy is now entering the final five-year sprint of this century. At the transition from the Eighth Five-Year Plan to the Ninth Five-Year Plan, the macroeconomic operation has also entered the phase of a new economic cycle replacing the old one. If we can seize the historic opportunity of the world economy continuing on its upswing and scientifically fine-tune the strength of macroregulation and control, we will perhaps be able to maintain a moderately fast growth while stabilizing the macroeconomy and achieve a "soft takeoff" in the midst of intense operation [jin yun xing 4868 6663 5887]. Just before the end of the year, Caster Economic Assessment Center consulted some experts and scholars for an assessment of this year's economic situation and forecast for next year's economic trends and compiled a report entitled "Expert Forecast of Economic Situation in 1996" (refer to the "Performance Observation" column on page 2 today for the report and related graphics). In the survey, renowned scholars Sun Shangqing, Liu Guoguang, Wu Jinglian, and Dai Yuanchen expressed their viewpoints on the macroeconomic policy orientation for next year. They are published here for their respective unique insights. [end editor's note]

Sun Shangqing: Continue With Appropriate Tightening and Fine-Tune the Operating Strength

At present, China's economic operation is facing two outstanding problems: One is that though the macroregulation and control objective for inflation has been achieved in 1995, it is still on the high side and the foundation is rather fragile and not steady enough; second, the phenomena of short funds supply, stockpiling of products, delay in payments to each other, and low efficiency among enterprises are quite serious.

Observing from the angle of the continued effort to control inflation, one can see that the drop in inflation over the past year has been achieved, to a considerable degree, by imposing administrative price checks, forcing down prices by fiscal means, and postponing the promulgation of price reform measures. Any change in any field may trigger a rebound of inflation and wreck all

the achievements of macroregulation and control made over a period of more than two years. Therefore, it remains very important to control total supply and demand in 1996, and an appropriately tight financial and money policy should be maintained.

From a microeconomic perspective, over the past year, some difficulties and conflicts in our economic life have failed to be thoroughly eased or resolved. Moreover, next year will be the first year under the Ninth Five-Year Plan, when the conflict between the main objectives of macroregulation and control and the unwillingness of some enterprises and some localities to give up their pursuit of high output and high rate of development may become more outstanding.

Therefore, a correct choice must be made in macroregulation and control in 1996: If we continue to strengthen the control of total supply and demand in a bid to further ease inflation, it may put greater pressure on the operation of enterprises, especially that of state-owned enterprises, and bring with it a string of social problems; if, on the other hand, the credit squeeze is relaxed and investment control diluted to slow the recession of the production of state enterprises, it is bound to increase inflationary pressures and induce big fluctuations in the overall economy.

Some comrades believe that the direct cause of the current difficulties in microeconomy is the over-tightening of total supply and demand and, consequentially, insufficient demand and funding "bottlenecks." However, one should say that things are not so simple. The root cause of the problems and contradictions in microeconomy is not aggregate control, for macroeconomic tightening has only enabled these problems and contradictions to reveal themselves and come to the surface. In fact, the fundamental reason for the lack of funds and the operational difficulties experienced by some enterprises is structural conflict and defective systems. Because of the absence of an effective mechanism for selection and elimination based on performance, it is hard to optimize the disposition of social resources; because of the absence of a severe anti-arrearage regime, an irregular order in the settlement of accounts has emerged, giving rise to a shortfall of social resources; and because of the inertia of the "speed effect," oversupplied products are still being blindly turned out and enterprises making them are still blindly operating. Since the problems and contradictions facing the microeconomy are not a result of aggregate control, a thorough solution cannot be found by relaxing aggregate control and increasing funding.

Therefore, to achieve something in the macroregulation and control of 1996, we must not only adhere to an appropriately tightened financial policy and mone-

tary policy, but also be doubly cautious in operation. On the one hand, we should carefully fine-tune the strength of aggregate control and alleviate any outstanding contradictions in the economic life to maintain appropriately fast economic growth and social stability; on the other hand, we should concentrate on optimizing the economic structure, change the mode of growth, make practical efforts in structural reform, and create the necessary conditions for structural optimization and the change of the mode of growth, so that a benign cycle can be phased into our national economy.

Liu Guoguang: Consolidate the Achievements of Regulation and Control; Avoid by All Means "Overall Relaxation"

For some time now, the academic circles have had heated discussions on when the current economic cycle will hit rock bottom. It is generally believed that the year 1996 will probably see the shifting of one economic cycle into the next. Against this background, the economic trends in 1996 have three possibilities, which will to some extent depend on the orientation of macroregulation and control. Recently, the economic forecast project group of the Chinese Academy of Social Sciences analyzed the following three opinions:

First, considering that the economic growth rate, the increase rate of fixed assets investment, and rate of inflation have remained high in 1995 despite some reductions, macroregulation and control in 1996 should continue to increase the strength of tightening, so that the economic growth rate and inflation rate can truly fall to desirable levels.

Second, after the continuous drop in the economic growth rate for over two years, the "bottleneck" restrictions, such as transportation, energy, and primary raw materials, have been eased. Furthermore, state enterprises are facing serious difficulties in their operation. The macroregulation and control in 1996 should change direction, i.e., from "austerity" to "relaxation," so as to effect a pickup of the economy. [Third possibility not published]

Each of the above-mentioned three policy orientations and three possibilities of development has its logic, but in view of the overall interests of national economic development and from a long-term point of view, we think that we should strive toward the third possibility and continue to pursue the present policy of "appropriate tightening." This policy orientation has been clearly set out in the "Proposal" adopted by the Fifth Plenary Session of the 14th CPC Central Committee and at the central economic work conference. This is very necessary. The main reason is that though macroregulation and control has been going on for two and a half years,

a "soft landing" has not been truly achieved and the rate of inflation is still not very stable despite a major drop. If we start relaxing macroregulation and control too early, it is bound to stimulate high inflation expectations and ruin the results of the endeavors of all parties over the years. In this regard, we must draw a lesson from our experience between 1986 and 1988 when a "soft landing" was not fully attained, but the economy kept reaching for the sky, only to be brought down in the second half of 1988, making improvement and rectification imperative. Naturally, however, "tightening" should be appropriate and should be fine-tuned in accordance with the time and situation. If the tightening is overdone or carried out indiscriminately, it will also have a huge negative effect, which should be avoided.

In the previous economic fluctuations in China, whenever the economy entered a new cycle, it was often accompanied by a policy of "overall relaxation," led by investment expansion, which would stimulate demand and trigger high economic growth. It often caused a simultaneous, dramatic increase of the economic growth rate and rate of inflation, plunging the economy into a vicious circle. The year 1996 happens to be the meeting point of two economic cycles and two five-year plans. We should take advantage of this opportunity to change the previous policy of "overall relaxation" aimed at stimulating total demand and achieve a favorable combination of controlling demand and improving supply.

Wu Jinglian: Adhere to Aggregate Control and Improve the Method of Regulation and Control

When commenting on the economic situation in 1995, some people think macroregulation and control has been rather successful, while others think the aggregate control has been too tight. My comment is: The strength of aggregate control was about right, but structural contradictions were even more outstanding. For this reason, the macroeconomic policy orientation for 1996 should be this: Aggregate control should not be relaxed, and major improvements in the method of regulation and control are imperative.

First of all, the reason I suggest "not relaxing aggregate control" is that the growth rate of money supply in a broad sense is still very high, way above the growth rate of production. One can judge from this that the current inflationary pressure is still very high and the macroeconomy very unstable. Even a slight relaxation may cause a rebound in prices. The current inflation is a result of the last economic cycle. Before the relatively high inflation from the previous economic cycle is completely brought down, we are facing a new economic cycle and its implications in 1996, the first year under the Ninth Five-Year Plan. One can be certain

that the latent inflationary pressure is increasing rather than decreasing. If we think the inflationary pressure has disappeared or even think we have overdone aggregate control such that we can relax this control across the board and start a fresh round of economic upsurge, we will probably wreck the achievements in stabilizing the economy which we have paid a high price for, and meet with new setbacks.

Naturally, however, to adopt a relatively austere policy in macroeconomic regulation does not mean austerity in all areas. In fact, there is indeed a serious strain on funding in some fields, but this is not the problem of aggregate economy, but a structural problem. The most obvious example of this is the asymmetrical distribution of funds and efficiency. Some enterprises with good marketability and efficiency suffer from a shortage of funds, but others, with surplus funds, cannot find the right investment projects, so they have to put them either into the bank or the speculative market, causing fast growth of some enterprises' savings and a seesaw of "scalping" on the speculative market. Actually, the structural contradictions in our economic work have had a long history, but they were more outstanding in 1995. For years we have been calling for structural adjustment almost every year, but it has never fully materialized. The most important reason is that the mechanism for fund disposition is no longer working and the old planning system has expired, but a new market mechanism has yet to be established. This has caused the fund disposition mechanism to deteriorate, and we have failed to solve the abnormal funding of enterprises, either too liberal or too tight, by administrative means.

To improve the mechanism for the disposition of funds, it is imperative to energetically push ahead with financial structural reform while conducting reform of the enterprise system. At the moment, such basic parameters as interest rates are quite far from the point of equilibrium between supply and demand on the market. These distorted parameters, plus administrative rationing, are set to aggravate the structural contradictions in funds disposition. Therefore, only by speeding up the marketization of interest rates, accelerating the commercialization of state banks, and expediting the cultivation of the financial market can we improve the fund disposition mechanism and rise above the dilemma of having to retain control over total funding when the inflationary pressure remains high on the one hand and, on the other, urgently requiring replenishment of funds in some fields where the shortage of funds has been affecting normal operations.

Dai Yuanchen: Speed Up Inventory Adjustment and Concentrate on Intensive [nei han 0355 3211] Growth

For years, though our economic growth rate has been the highest in the world, we have had many problems in economic operation and real benefits were not so great. In 1996 and for a relatively long period of time thereafter, we should use a new mode of growth as the criterion for economic development and unswervingly follow the path of intensive growth.

First, the change of the mode of economic growth and the change of the economic system condition each other and are reciprocal. Therefore, we should aim at an organic integration of those two changes. Considering that the government plays a big role in economic operation, if the growth of output value remains the criterion for assessing the performance of governments at all levels, it will encourage them to continue launching new projects, extending their scope of business, and striving toward prescribed targets, with little or no consideration for genuine results. This requires the formulation of new indexes for assessing such performance and those for measuring the change of the mode of economic growth.

Second, in changing the mode of economic growth, we must not focus solely on adjusting the increment of production elements which, though important, is too slow and not efficient. Therefore, we must put adjusting the inventory of production elements on the agenda, so as to improve resource disposition and achieve marked results within a relatively short time. It has to be pointed out that elimination is essential in economic activities, and not all enterprises in a market economy are highly efficient or can make profits. The annual elimination rate in many developed countries, like the United States and Japan, is generally above 20 percent. Therefore, acquisition and merger should be implemented as a form of redistribution of production elements in stock, as they are important measures for changing the mode of economic growth.

Third, reform of state enterprises should aim at enhancing their efficiency. In recent years, the percentage of state enterprises operating at a loss has been increasing, and so has the size of losses. The proportion of state enterprises in the economy has been shrinking by two percentage points each year. At the moment, we are trying to protect the state-owned economy by checking the momentum of development of the non-state economy, which is not such a good idea. State enterprises should prove with their own performance that they are not necessarily inefficient and that they can give equal attention to both fairness and efficiency.

Fourth, science and technology is the primary productive force and enterprises should genuinely adopt the concept of relying on science and technology. In the adjustment of production elements in stock, strong enterprises can implement their expansion strategies through merger and acquisition and benefit from economies of scale and brand names. But if acquisition is not followed by transformation, the consequences can be too dreadful to think of. This is because most of the medium and small enterprises acquired through buying and merger have poor technical equipment, poorly matched production facilities, and poor capacity for product development; hence the need for technical transformation of such enterprises and the addition of vital equipment, so as to achieve intensive growth by combining inventory adjustment and incremental input.

In short, only by improving the efficiency of resources in stock in changing the mode of economic growth can we change the situation of "high speed and low efficiency" relatively quickly and upgrade the economic status of our country, which is still in 103d place in the world in terms of per capita GNP despite the fact that our economic growth rate is higher than the rest of the world.

PRC: 'Glory' Program Aids Development in Tibet
OW2802105696 Beijing XINHUA in English
1035 GMT 28 Feb 96

[FBIS Transcribed Text] Lhasa, February 28 (XINHUA) — Dozens of China's non-state-run hi-tech enterprises will invest over 400 million yuan in the Tibet Autonomous Region to help local people eliminate poverty.

As part of the Glory Undertaking Program, the enterprises from other parts of China have signed 46 contracts with local companies.

This will result in cooperation in such areas as agriculture, medical care, education, culture, science and technology.

The program, launched in 1994, is designed to eliminate poverty by encouraging non-governmental, hi-technology enterprises to open businesses and train personnel for the country's underdeveloped areas.

The Continent Biology Hi-Tech Company, based in Nanchang, the capital of east China's Jiangxi Province, is to build a farm in the Lhasa River Valley by reclaiming 933 hectares of wasteland.

The Yuexi Corn Institute in east China's Anhui Province and Nedong County in Tibet will jointly open a farm close to the Yarlung Zangbo River, by reclaiming 667 hectares of wasteland.

More than 100 hectares of land will be sown with fine corn seeds this spring.

These projects, expected to involve 10 million yuan in total investment in the next three to five years, will help Tibet achieve self-sufficiency in grain, edible oil and meat by the end of the century.

Also scheduled to open later this year is a pharmaceutical factory involving an investment of 10 million yuan from the Qizheng Company in northwest China's Gansu Province.

As part of the contract, the factory will give 100,000 yuan annually to civil affairs departments in the Nyingchi Prefecture for the next 20 years.

The Kangli Company in Anshan, Liaoning Province, and Gongbo'gyamda County in Tibet will jointly build a factory to turn out medicinal plasters for treating contusions and strains by using certain herbs that can only be found in Tibet.

The Beijing-based Jinghai Group Co. Will spend 300,000 yuan building a "Glory School" in Shannan Prefecture.

Another Beijing-based hi-tech company, the Stone Group, has transported 250,000 yuan-worth of equipment to the prefecture, where it has set up a personnel training center together with the local government.

A company from Nanjing in east China's Jiangsu Province promised to train four groups of Tibetan officials for the region in two years. The first group of 25 officials finished their studies in Nanjing at the end of last year.

Li Ruihuan, chairman of the National Committee of the Chinese Political Consultative Conference, praised the enterprises investing in Tibet for opening a non-governmental channel for other parts of China to aid Tibet in its economic construction.

Yang Chuantang, vice-chairman of the Tibetan regional government, said, "The implementation of the Glory Undertaking program will greatly increase Tibet's economic strength and benefit the Tibetan people."

PRC: Experts Assess Air Cargo Transport Computer System

OW2802064996 Beijing XINHUA in English
0633 GMT 28 Feb 96

[FBIS Transcribed Text] Beijing, February 28 (XINHUA) — China's first nationwide computer system for air cargo transport has reached advanced global levels, it was reported today.

Experts in Beijing who have appraised the system here agreed that it has reached the high levels of the 1990s.

A national key scientific and technological project, development of the system started two years ago.

"The system has so far connected six major air traffic hubs in China, including Xiamen, Shanghai, Guangzhou and Chengdu, facilitating air cargo transport business in the cities," said Zhang Linping, an official with the Management Information System of the Civil Aviation Administration of China (MIS/CAAC), which developed the computer system.

He said MIS/CAAC introduced hardware and software for the system from the United States, Italy and Singapore, and adapted the software to meet the requirements of air cargo transport business in China.

Supported by domestic and international civil aviation telecommunication networks, the system is able to link up major domestic and international air traffic destinations, Zhang added.

This year the system will connect more than ten domestic destinations, and for the first time will link with international networks, Zhang noted.

Six major Chinese air carriers have already joined the system, with Shanghai-based China Eastern Airlines becoming the first to link up with international networks through the new system.

PRC: Auto Industry To Increase Investment, Production

OW2702171196 Beijing ZHONGGUO XINWEN SHE in English 1325 GMT 26 Feb 96

[FBIS Transcribed Text] Beijing, February 26 (CNS) — China plans to produce 1.55 million vehicles this year, or 100,000 more than in 1995.

According to statistics of the Ministry of Machine-Building, nearly 1,000 automobile manufacturing and refitting plants produced 1.45 million vehicles last year, 358,000 of which were cars.

Under the guidance of the state automobile industrial policy, the government and the private sector have increased their investment in car manufacturing and other projects.

The scale of car production in Shanghai, Changchun, Tianjin and Wuhan has increased rapidly. Last year, Shanghai Automobile produced 160,000 cars at a total output value of RMB [Renminbi] 28 billion (about HK\$ 26 billion). This accounted for half of the domestically produced car market.

Production has been increasing continuously. The data shows that during the "Eighth Five-Year Plan" (1991-1995), fixed asset investment in the automobile industry was near RMB 60 billion (HK\$ 55.74 billion). In 1995 alone, it was over RMB 15 billion.

Total vehicle output exceeded 1 million in 1994 and the strong trend was maintained last year. According to the automobile industrial policy, initial production for a car manufacturer are 150,000. At present, Shanghai has attained this level with an annual production capacity of 200,000 cars — Shanghai's automobile industry leads the country.

In 1995, No.2 Volkswagen Plant in Shanghai went into operation; the first and second stage projects were approved by the State and 87 percent of Santana cars were produced locally. After one year of production 60 percent of Santana car components were produced in China.

Changchun No.1 Automobile Plant completed a production project for 30,000 Audi cars and 150,000 Volkswagens; Dongfeng turned out 150,000 Fukangs and production of the Charades in Tianjin began.

In 1995, the total car output of No.1 Automobile Plant and Dongfeng was around 200,000. The car output in Beijing and Tianjin was near 150,000. This year 400,000 cars will be produced nationally.

Finance & Banking

PRC: Finance Ministry Announces Treasury Bond Flotation

OW2802043096 Beijing XINHUA in English 0316 GMT 28 Feb 96

[FBIS Transcribed Text] Beijing, February 28 (XINHUA) — China is to issue 30 billion yuan in treasury bonds between March 10 and 31, the Ministry of Finance has announced in Beijing.

The three-year bonds will carry an annual interest rate of 14.5 percent. The new bonds will not be eligible for the inflation subsidy rate and the interest rate will not be compounded yearly, said the announcement by the Ministry of Finance.

The bonds will be issued in denominations of 100 yuan, 1,000 yuan and 5,000 yuan, and trading in them will start after the issue closes on March 31.

Groups comprising of primary dealers and other securities organizations will underwrite the new bonds before offering them to the public.

China issued two batches of treasury bonds in January and February this year to finance the gap between the government's tax revenues and its spending.

PRC: Official Cites Success of Antismuggling Tax System

OW2702163496 Beijing XINHUA in English
1603 GMT 27 Feb 96

[FBIS Transcribed Text] Hong Kong, February 27 (XINHUA) — A tightening taxation system to prevent rampant smuggling and tax evasion in China's flourishing processing trade has been proved a success on a trial basis and is likely to be carried out nationwide, according to a high-ranking Chinese official.

Duanmu Jun, deputy commissioner of the Chinese General Administration of Customs, made the remarks here today at a China Taxation Seminar, which was organized by the Better Hong Kong Foundation.

Addressing hundreds of Hong Kong businessmen, the official gave a detailed explanation of the new system, which has been implemented on a trial basis in three Chinese cities — Guangdong province's Dongguan, Jiangsu province's Suzhou and Zhejiang province's Ningbo — since November last year.

Under the system, a business in processing trade is required to set up a counter account of security deposits for imported materials at the specified Bank of China offices. Only if all the processed products are exported within the limited time, can the counter account be canceled.

According to the official, the new measure has been proved feasible and practical in the trial execution, since administrations can keep a close watch on procedures of processing trade so as to prevent illegal activities.

Statistics showed that in 1994, the Chinese Customs tracked down 465 major cases of smuggling carried out through processing trade, accounting for 61 percent of the total value of smuggling cases.

This not only dents the national revenue due to tax evasion, but also hurts law-abiding businesses, said the official. Processing trade generated an import and export value of 133.28 billion US dollars in 1995, nearly half of the country's total foreign trade value.

The deputy commissioner said that the system does not bring much trouble to businesses, who are able to complete all formalities in 4.5 working days and need not actually pay security deposits to set aside their funds. It will be adopted on a step-by-step basis in other cities across the country.

The system is one of the three major reform measures China has planned to adopt in the year of 1996 to shake up its import and export taxation. The other is to slash the customs duties by 36 percent on more than 4,900 items, and at the same time to suspend all import tax

exemption and reduction. It will be put into force from April, 1 this year.

The third one, which began to be implemented on January 1, 1996, lowers the refund rate for exported goods.

***PRC: New Rules on Issue of Foreign Capital Stock**
96CE0135A Hong Kong CHING-CHI TAO-PAO
[ECONOMIC REPORTER] in Chinese 8 Jan 96
No 2, pp 28-29

[State Council Regulations on the Issue of Foreign Capital Stock by Shareholding Companies in China]

[FBIS Translated Text] **Article 1.** These regulations have been formulated in accordance with the applicable provisions of the "PRC Company Law" (abbreviated hereafter as "Company Law") to standardize the issue and trading of foreign capital stock issued in China by shareholding companies and to protect the legitimate rights and interests of investors.

Article 2. Shareholding companies (abbreviated hereafter as companies) may issue foreign capital stock in China with the approval of the State Council Securities Commission. However, should the total face value of the stock exceed \$30 million, the State Council Securities Commission must seek permission from the State Council.

What is referred to in the preceding paragraph as the issue of foreign capital stock in China by a company may take either one of these two forms: 1) setting up a company through fund-raising to issue foreign capital stock in China or 2) a company issuing foreign capital stock in China to increase its capital.

The total amount of foreign-capital stock approved for issue by the State Council Securities Commission shall not exceed the overall scale set by the state.

Article 3. Foreign-capital stock issued in China by a company shall take the form of signed shares. Its face value should be clearly stated in renminbi, but it shall be bought and sold in a foreign currency. It shall also be traded in a foreign currency on a stock exchange in China.

When a company which issues foreign-capital stock inshore also floats stock for domestic investors (abbreviated hereafter as domestic-capital stock), the latter shall take the form of signed shares.

Article 4. Investors in foreign-capital stock issued inshore shall be limited to:

1) natural or legal persons and other institutions overseas;

- 2) natural or legal persons and other institutions from China, Hong Kong, Macao, and Taiwan;
- 3) Chinese citizens who have settled down abroad; and
- 4) other investors in foreign-capital stock issued inshore stipulated by the State Council Securities Commission.

To purchase and trade foreign-capital stock issued inshore, an investor shall present valid documents proving his identity and investment credentials.

Article 5. Shareholders of foreign-capital stock issued inshore shall enjoy the same privileges and fulfill the same obligations as the shareholders of domestic stock in accordance with the "Company Law" provided that the stocks are of the same type.

A company may make detailed provisions in its articles of association regarding the rights and obligations of its shareholders.

Article 6. The articles of association of a company shall be binding on the company, its shareholders, directors, supervisors, managers, and other senior managerial personnel.

The company's directors, supervisors, managers, and other senior managerial personnel have the obligation to be loyal to and work hard for the company.

"Other senior managerial personnel" referred to in the first two paragraphs of this article includes personnel in charge of finance, secretary to the board of directors, and other personnel provided for by the company's articles of association.

Article 7. The State Council Securities Commission and its supervisory, managerial, and executive arm, the China Securities Supervisory and Regulatory Commission (abbreviated hereafter as the China Securities Supervisory Commission) shall supervise and regulate the issue and trading of foreign-capital stock issued inshore and other related activities in accordance with the laws and administrative rules and regulations.

Article 8. An investor who sets up a company through fund-raising and applies to issue foreign-capital stock inshore shall meet the following requirements:

- 1) the funds raised shall be used in a way that complies with the national industrial policy;
- 2) the project proposed to invest in shall comply with government regulations pertaining to fixed assets investment projects;
- 3) the project shall comply with government regulations on the utilization of foreign capital;

4) the total value of the capital stock the sponsor offers to purchase shall not be less than 35 percent of the total value of the capital stock the company proposes to float;

5) the sponsor's total investment shall not be less than 150 million yuan;

6) the number of shares issued in society at large shall exceed 25 percent of the company's total number of shares. Where the company proposes to issue over 400 million yuan worth of capital stock, the number of shares issued to the public shall exceed 15 percent;

7) in the case of an existing enterprise which is reorganizing itself as a company, or when the principal sponsor of the company is a state enterprise, the existing enterprise or the state enterprise must not have committed a serious violation of the law within the last three years;

8) in the case of an existing enterprise which is reorganizing itself as a company, or when the principal sponsor is a state enterprise, the existing enterprise or the state enterprise must have made a profit each year during the last three years; and

9) other requirements stipulated by the State Council Securities Commission.

Article 9. When a company applies to issue foreign-capital stock inshore to increase its capital, it shall meet the following requirements in addition to Articles 8.1), 8.2), and 8.3) of these regulations:

1) the shares it issued the last time were fully subscribed and the funds thus raised have been used in a way that is consistent with government policy and have generated a high return;

2) the company's total net assets shall not be less than 150 million yuan;

3) the company has not committed a serious violation of the law in the period between the last time it issued shares and the date of the current application;

4) the company has made a profit each year during the last three years. In the case of an existing enterprise reorganizing itself as a company or when the principal sponsor of the company is a state enterprise, its profits may be included for calculation purposes; and

5) other requirements stipulated by the State Council Securities Commission.

When a company founded through sponsorship proposes to increase capital for the first time by issuing foreign-capital stock inshore, it shall also comply with Article 8.6) of these regulations.

Article 10. A company that applies to issue foreign-capital stock inshore shall follow the following procedures:

1) The sponsor or company shall apply to the people's government of the appropriate province, autonomous region, or municipality directly administered by the central government, or to the State Council department in charge of enterprises. The people's government concerned or the State Council department in charge of enterprises shall then make a recommendation to the State Council Securities Commission.

2) In consultation with other pertinent State Council departments, the State Council Securities Commission shall select companies and authorize them to issue foreign-capital stock.

3) The companies selected shall submit to the China Securities Supervisory Commission for its examination and verification documents enumerated in Articles 11 and 12 of these regulations.

When an applicant is deemed to have met the requirements after an examination by the China Securities Supervisory Commission, the case shall be forwarded to the State Council Securities Commission or, in some cases, to the State Council in accordance with Article 2.1) of these regulations for its approval. Only then shall the company issue foreign-capital stock inshore.

Article 11. Where the applicant sets up a company through fund-raising and applies to issue foreign-capital stock inshore, the following documents shall be submitted to the China Securities Supervisory Commission:

1) application report;

2) the name of the sponsor, either personal or institutional; the number of shares the sponsor has proposed to buy; the kind of capital he offers to put up; and proof of capital;

3) resolution adopted by the sponsors' conference that approves the public flotation of foreign-capital stock inshore;

4) the document authorizing the establishment of the company issued by the people's government of the appropriate province, autonomous region, or municipality directly administered by the central government or by the agency approved by the State Council;

5) recommendation document from the people's government of the province, autonomous region, or municipality directly administered by the central government in question or from the State Council department in charge of enterprises;

6) "Enterprise Name Pre-Approval Notification" issued by the company registration administration;

7) a draft of the company's articles of association;

8) a copy of the stock floatation prospectus;

9) feasibility report on how the funds are to be utilized. If the funds are intended to finance a fixed assets investment project for which official examination and approval is required, the applicant shall also submit a document from the appropriate department approving the fixed assets investment project in question;

10) financial reports for the past three years of the existing enterprise or the state enterprise acting as the principal sponsor audited by a licensed public accountant and the accounting firm for which he works and an auditing report on the existing enterprise or state enterprise bearing the signatures of more than two licensed public accountants and the seal of the accounting firm for which they work;

11) assets appraisal report bearing the signatures of more than two professional appraisers and the seal of the appraisal firm for which they work. Where state properties are involved, evidentiary documents and a document authorizing state stock ownership issued by the state properties management department shall also be submitted;

12) a written legal opinion bearing the signature of more than two lawyers and the seal of the law firm for which they work;

13) copies of the stock issue, sales plan, and sales agreement; and

14) other documents required by the China Securities Supervisory Commission.

Article 12. When a company applies to issue foreign-capital stock inshore to increase capital, it shall submit the following documents to the China Securities Supervisory Commission:

1) an application report;

2) resolution adopted at the shareholders' meeting approving the public issue of foreign-capital stock inshore;

3) document approving the increase in capital and the issue of new stock issued by the people's government of the appropriate province, autonomous region, or municipality directly administered by the central government, or by the agency approved by the State Council;

4) recommendation document from the people's government of the appropriate province, autonomous region, or

municipality directly administered by the central government, or by the State Council department in charge of enterprises;

5) the company's operating license issued by the company registration administration;

6) the company's articles of association;

7) stock floatation prospectus;

8) a feasibility report on how the funds are to be utilized. If the funds are intended to finance a fixed assets investment project for which government examination and approval is required, the applicant shall also submit a document from the department concerned approving the fixed assets investment project in question;

9) the company's financial reports for the last three years audited by a licensed public accountant and the accounting firm for which he works and an auditing report bearing the signatures of more than two licensed public accountants and the seal of the accounting firm for which they work;

10) a written legal opinion bearing the signatures of more than two lawyers and the seal of the law firm for which they work;

11) copies of the stock floatation, sales plan, and sales agreement; and

12) other requirements required by the China Securities Supervisory Commission.

Article 13. The amount of time separating the issue of foreign-capital stock inshore and the issue of domestic stock may be less than 12 months.

Article 14. The company shall retain a licensed public accountant who meets government regulations and the accounting firm for which he works to audit or review its financial report.

Article 15. The company shall practice accounting and compile financial reports in accordance with the applicable government regulations.

Where adjustments have been made in the financial report disclosed to a foreign-capital stockholder to accord with accounting standards in use overseas, the discrepancies must be noted

Article 16. The company that issues foreign-capital stock shall disclose information to members of the public in accordance with the law and make detailed provisions in its articles of association regarding the location and format of information disclosure.

Article 17. Information disclosure documents prepared by the company issuing foreign-capital stock inshore shall be written in Chinese. Where a foreign-language

version is necessary, it shall be translated into a widely used foreign language. Where there are discrepancies between the Chinese copy and the foreign-language version, the former shall prevail.

Article 18. A company issuing foreign-capital stock inshore shall hire a securities trading organization in China whose establishment has been approved by the People's Bank of China in accordance with the law and which is recognized by the China Securities Supervisory Commission to be its principal sales agent or one of its principal sales agents.

Article 19. The company issuing foreign-capital stock inshore shall open a foreign exchange account with a bank in China which is authorized to do foreign exchange business. The opening of the foreign exchange account shall be processed in accordance with government regulations on foreign exchange control.

The principal sales agent which has undertaken to handle the sale of the stock shall deposit into the company's foreign exchange account all funds raised during the period of time specified in the sales agreement.

Article 20. The buying and selling of foreign-capital stock issued inshore shall be handled by a securities trading organization set up with the permission of the People's Bank of China and recognized by the China Securities Supervisory Commission.

Article 21. A foreign capital stockholder may retain an agent to exercise on his behalf his rights as a shareholder. When an agent operates in that capacity, he must produce valid documents to prove his agency.

Article 22. The person who owns the rights and interests that go with foreign-capital stock may register his shares in the name of the nominal holder.

The person who owns the rights and interests that go with foreign-capital stock shall disclose changes in his stock holdings in accordance with the law.

Article 23. The trading, custody, account settlement, completion of transaction, transfer, and registration of foreign-capital stock issued inshore shall comply with the applicable laws and administrative rules and regulations as well as regulations made by the State Council Securities Commission.

Article 24. Foreign-capital stock and its derivatives may circulate or be transferred offshore with the permission of the State Council Securities Commission.

"Derivatives" in the preceding paragraph refers to share purchase rights certificates and offshore share deposit certificates.

Article 25. The company shall pay dividends and other fees to foreign-capital stockholders in a foreign currency, but shall use renminbi in calculating the amounts and in the announcements. The management of the foreign-currency capital funds raised and the foreign currency the company needs to pay dividends and other fees shall be handled in accordance with the applicable government regulations on foreign exchange control.

Another institution may exchange foreign currency to pay the shareholder on behalf of the company if such an arrangement is provided for in the company's articles of association.

Article 26. Dividends and other earnings derived from foreign-capital stock issued inshore may be remitted overseas after any taxes that are due under the law have been paid.

Article 27. The State Council Securities Commission may formulate detailed rules based on these regulations.

Article 28. These regulations shall take effect on the day of issue. The "Administrative Measures for Shanghai Renminbi Special Stock" issued by the People's Bank of China and the people's government of Shanghai on 22 November 1991 and the "Provisional Administrative Measures for Shenzhen Renminbi Special Stock" issued by the People's Bank of China and the people's government of Shenzhen on 5 December 1991 shall be annulled on the same day.

Foreign Trade & Investment

PRC: MOFTEC Official on Import Duties, Tax Adjustments

OW2702122596 Beijing XINHUA in English
1152 GMT 27 Feb 96

[FBIS Transcribed Text] Hong Kong, February 27 (XINHUA) — The cancellation of tax exemption and reduction on imported products, to be fully implemented in China from April 1, does not imply any policy tightening with regard to foreign investment, said a high-ranking Chinese official.

"To cancel or adjust tax exemption and reduction, coupled with big cuts on customs duty rates, is in compliance with the final documents of the Uruguay Round talks and is consistent with the practice of other countries," Wang Liaoping of the Chinese Ministry of Foreign Trade and Economic Cooperation [MOFTEC] told a seminar on China's tax and customs policies here today.

The preferential policy of tax exemption and cut was originally formed during the initial stage of China's reform and opening, with the aim of freeing those foreign-

funded enterprises from the bondage of a planned economy, according to Wang, who admitted this was unique in the world.

When a socialist market economy is gradually established, it is inevitable to adjust these policies, he said. Enterprises, either foreign-invested or domestically-funded, should now be put under the same administrative measures.

"This does not imply any tightening in our foreign investment policy," said Wang, who is in charge of the Department of Foreign Investment in the ministry.

In 1995, the contracted foreign investment amounted to 90.3 billion US dollars in China, and the actual inflow of capital hit a record high of 37.7 billion US dollars, representing a 12-percent growth over a year earlier.

During the Ninth Five-Year Plan (1996-2000), China intends to maintain year-on-year growth in the inflow of overseas capital, Wang told hundreds of Hong Kong businessmen who attended the seminar.

Hong Kong has always been the bridgehead to channel overseas investment into China since the country started opening to the outside world in 1978. It is estimated that of the total 100 billion US dollar worth of overseas investment, 60 percent flew in through Hong Kong.

PRC: Annual Growth Planned for Electromechanical Exports

OW2702170896 Beijing ZHONGGUO XINWEN SHE
in English 1156 GMT 26 Feb 96

[FBIS Transcribed Text] Beijing, February 26 (CNS) — During the period of the present five-year plan, China's electro-mechanical exports are set to grow at an average annual rate of 15 percent. The industry has drawn up a strategic plan to this end.

According to a forecast, the growth in world trade will continue to exceed economic growth over the next five years. Electromechanical products will still enjoy a promising world market. By the year 2000, the world's electro-mechanical industry will account for over 45 percent of trade value. China's electromechanical products will by that time make up 30 percent of its gross export value and about 2.5 percent of world trade in such products.

In order to achieve this target, China has formulated an export strategy which can be summed up in several points.

First, structural changes in electro-mechanical exports will be made with the aim of increasing both technology intensive and higher added value products as a proportion of mechanical exports. A total of 15 types of

electro-mechanical exports will enjoy priority for shipping, aviation, communications and automated equipment.

Secondly, the international market will be developed in a comprehensive and diversified manner and key markets will be selected for further development.

Thirdly, a permit system for quality exports has to be introduced so as to consolidate the export market.

Fourthly, resources in the industry will be better used and the industrial structure changed in favour of export-oriented products of high technology and added value to help increase foreign exchange earnings.

Fifthly, intensive operations will be encouraged in a bid to substantially raise economic results. Some large electromechanical groups will be given strong support to speed up their internationalisation.

Sixthly, advanced technology and equipment will be introduced from abroad to upgrade China's electro-mechanical industry.

PRC: Jiangsu Encourages Overseas Investment in Transportation

OW2802003696 Beijing XINHUA in English
0011 GMT 28 Feb 96

[FBIS Transcribed Text] Nanjing, February 28 (XINHUA) — Overseas investment is being encouraged in construction of highways, bridges and berths in east China's Jiangsu Province, where one of the country's fastest economic growths has been recorded.

According to the provincial government, overseas enterprises and companies are allowed to set up Sino-overseas joint ventures or solely-overseas-funded entities involved in transportation construction, but the projects have to comply with the province's overall development plan.

Foreign investment is especially welcomed in projects such as sealed highways for motor vehicles, second-grade roads over 40 km in length, highway bridges over 300 m long and berths for ships of over 3,000 dwt.

The operation term for a transportation enterprise involving overseas funds generally shall not be longer than 30 years. And upon the termination of the term, the project shall be turned over to the local government gratis, as stipulated in agreements.

Operations with a duration exceeding 15 years can be exempted from enterprise income tax for the first five profit-making years and enjoy a 50 percent tax deduction in the sixth to tenth years.

The province also allows the transfer of operational right of completed transportation facilities and the use right of the surrounding land to overseas investors for up to 30 years.

Agriculture

***PRC: Warnings About Severe Water Shortages**

96CE0139A Beijing JINGJI RIBAO in Chinese
19 Jan 96 p 6

[Article by Niu Maosheng (6873 5399 3932): "Severe Water Shortage Affecting Economic Production and Threatening Human Living"]

[FBIS Translated Excerpt] [Passage omitted] I.

As a nation, China has a severe water scarcity problem. Its total water resources of 2.8 trillion cubic meters are not insignificant and place China sixth in the world, behind Brazil, the former Soviet Union, Canada, the United States, and Indonesia. On a per capita basis, however, China ranks 109th in the world; at a mere 2,400 cubic meters, its per capita water resources are pitifully meager, about one-quarter of the world's average. China has been included in the list of 13 nations with the least water resources on a per capita basis.

In China, water scarcity has become a constraint on industrial and agricultural production as well as urban development. In northern China, in particular, the shortage of water resources is now the foremost hurdle to local economic and social development. Of the 600 cities in the country today, over 300 suffer from water shortages, including 108 where the problem has reached acute dimensions.

II.

Our own capital, Beijing, is a water-deficit city.

On a per capita basis, Beijing's water availability is only one-thirteenth of the world's average and one-seventh of that of China. It even fails to measure up to those of some arid Arab nations and is 20 percent below that of Israel. Short on surface water, Beijing has been forced to resort to groundwater. At present the city draws 2.6-2.7 billion cubic meters of groundwater each year. Extensive over-extraction of groundwater has already created a 2,100 square-kilometer funnel zone, accounting for one-eighth of the city's total area. Meanwhile, the population's living standard is going up and Beijing is making big strides toward modernization. According to projections by the departments concerned, Beijing will need an extra 1 billion cubic meters of water to satisfy industrial and domestic consumption by the year 2010, enough to fill a gigantic pipe with a

sectional area of 1 square meter circling the earth two and a half times.

Nationwide Tianjin ranks bottom in per capita water resources, only 6.7 percent of the nation's average. In the early 1970's Tianjin was hit by an acute water shortage, so the central government adopted a policy to build the Panjiakou reservoir and divert water from Yishui to Tianjin in an inter-drainage area project. Water shortages have existed for years and years in such large cities as Xian, Taiyuan, Datong, Qingdao, Yantai, and Dalian where residents are routinely subject to water rationing restrictions. Under such restrictions, water is available only at low pressure at certain specified times in fixed quantities. Workers have no choice but to get up in the middle of the night to store up on water. In some cities strange things have happened such as "shampoo-less haircuts" and "sparrows drinking diesel oil."

If this is the situation in northern cities, their southern counterparts are not in much better shape. A severe water shortage occurred in Shenzhen in the early 1990's, the like of which had never been seen before. Residential neighborhoods were hit by repeated disruptions in water supply, forcing people to eat boxed lunches, prepare meals at home using bottled mineral water purchased from stores, and drinking Coca-Colas instead of tea.

Water shortages have badly hobbled industrial production and the lives of urban residents.

III.

But the most arid places remain the loess land.

Statistics on disasters over the past 46 years show that drought has done more to erode China's agricultural output than any other type of natural disaster. Since 1990, about 400 million mu of land have been hit by drought each year, a 150 percent increase compared with the 1950's, while the disaster-stricken area has tripled. At present agriculture in irrigated areas has a water shortfall of 30 billion cubic meters annually, and drought trims grain output by as much as 20-30 billion jin. About 960 million mu nationwide can potentially be brought under irrigation. Because of the relative backwardness of China's irrigation facilities, only 750 million mu have been irrigated so far, of which just a little over 600 million mu are actually irrigated in any given year.

The rapid rise of township and town enterprises has created another major water consumer.

In the countryside today, 70 million people and 60 million heads of livestock still do not have enough drinking water.

Statistics are dull and dry, but the threat water shortages pose to people's lives is real enough. This is a familiar scene in some villages in northern China: As a hot summer sun bakes the parched earth, an endless stream of humanity inches forward slowly on the dirt road. For a mere two buckets of water, people would trudge several, even dozens, of li under a blazing sun, exhausted and sweating profusely. Some wells are surrounded by people and buckets night and day.

Many monks, little porridge; many people, little water. The conflict over water is becoming sharper by the day in water-deficit areas because of the imbalance between the supply and demand of water resources. Rising urban domestic consumption and industrial consumption are an endless encroachment on water resources that should go to agriculture. Many reservoirs which were intended primarily as a source of water for agriculture have been or are being diverted to industrial uses. Some cities have imposed restrictions on domestic water consumption in order to satisfy industrial users. Increasingly the struggle for water has spawned disputes between upstream and downstream localities, between the two banks of a river. The total amount of water usable in the main drainage area of Huang He averages only 36 billion cubic meters or so each year. With industry and agriculture in every province and region in the drainage area developing by leaps and bounds since 1980 and water consumption, both production-related and domestic, rising just as rapidly, the struggle for water between the upstream and the downstream has come to a head. Many a time rivers have gone dry downstream. In 1995, for instance, the flow of water to downstream Huang He was cut off for a long 122 days, setting a historical record in both the duration of the cut-off and its extent.

Severe water shortages have caused a deterioration in our environment on which we depend for survival. Because of insufficient surface water, many localities in northern China have no choice but to tap into their groundwater—to excess. The result is a drop in groundwater level on a regional scale, extensive earth subsidence, caving-in, and even collapse. Ground subsidence is a serious problem in Shanghai, Tianjin, and Xian. Seawater infiltration has affected the coast, seriously enough in some places to threaten human existence and force residents to relocate.

IV.

If China is short on water, so is the world. A shocking piece of news was delivered at the United Nations conference on water resources back in August 1977: "Water scarcity will soon be a deep global crisis." Since the 1980's, echoes of water shortages have been heard around the world. During the 1990's experts and

international organizations have sounded this warning repeatedly: "We are entering a new era of water scarcity. As lakes shrink, rivers dry up, and groundwater levels fall by the day, a water crisis may materialize before the end of this century. If nothing is done, the next global conflict may well be one waged by nations to seize control over precious water resources, in much the same way that they vied with one another in the past for the possession of petroleum."

Statistically, China has already run up a hefty water deficit. Agriculture is short of water to the tune of 30 billion cubic meters and cities, 6 billion cubic meters. By the year 2000 China will need at least 60 billion cubic meters of water more than what will actually be available. [passage omitted]

***PRC: Article on Grain Circulation Reform**

96CE0139B Beijing JINGJI RIBAO in Chinese
22 Jan 96 p 5

[Article by Song Mingting (1345 1694 2494), minister of internal trade: "Deepening of Reform Necessary to Improve Grain Circulation"]

[FBIS Translated Excerpt] Grain circulation reform in China has not only changed the national economy and the way people live their lives profoundly, but has also had far-reaching global repercussions. That China has succeeded in feeding 1.2 billion people is itself an enormous contribution to mankind. Although grain circulation reform over the past 17 years has been a big success, we must be clearheaded enough to realize that there are still many deep-seated problems in China's grain circulation system awaiting solution and that the deepening of reform remains an arduous task.

Grain work today is beset with five leading problems: hurdles in the grain management system, irrationalities in the price mechanism, chaos in market management, separation between foreign trade and internal trade, and the weakening of state enterprises. These five problems are what we should concentrate on in the deepening of reform in the future and can be solved only through ceaseless efforts on our part. [passage omitted]

How To Reform China's Grain Circulation System?

In the long haul, two basic changes must be effected in China's grain circulation system. One, it must make the transition from the planned economy of the past with its state monopoly on grain purchasing and marketing to the socialist market economy. Two, the packaged method of grain circulation must give way to the loose method. The former is the institutional cornerstone for the modernization of grain circulation. The latter is its material and technical basis.

More immediately the deepening of grain circulation reform must tackle two critical issues. The first involves straightening out the system. The second is to sort out prices. After weighing both the positive and the negative experiences in China, learning from the sound practices of countries overseas, in accordance with Comrade Deng Xiaoping's theory of socialist economic reform, and in the spirit of his instruction on grain price reform, the general scheme of deepening of reform as far as the grain circulation system is concerned should be as follows: Combine internal trade with foreign trade, but separate government administration from enterprise management; operate centrally but manage at individual levels; control the sources of grain supplies but deregulate prices; and regulate and control the market but target subsidies. Accordingly, this writer proposes the following:

1. Set up a State Grain and Oil Bureau and a China Grain and Oil Group Corporation. The CPC Central Committee's Ninth Five-Year Plan proposes that specialized economic management departments be reorganized as economic entities. Based on that proposal and taking a leaf from the reform of the State Spaceflight Bureau and the China Spaceflight Industry Corporation, we propose that the new State Grain and Oil Bureau and the China Grain and Oil Corporation be two separate organizations, both outside the administrative machinery of government. The idea is to decouple the links between all state-owned grain and oil enterprises, both in foreign trade and in internal trade, on the one hand, and governments at all levels, on the other, and turn the former into economic entities charged with the dual responsibility of regulating the grain and oil industries and conducting foreign or internal trade. Furthermore, we should emulate the reforms in banks and tax departments by reorganizing local grain and oil enterprises in either foreign trade or internal trade into branch bureaus, branch companies, and subsidiaries directly under the state. That way, operations are integrated even as management takes place at separate levels. These entities should practice independent accounting and assume responsibility for their own profits and losses. The principal duties and functions of the new State Grain and Oil Bureau and China Grain and Oil Corporation should be to implement the national grain and oil policy; carry out the mission of macro regulation and control; organize in a centralized manner the procurement, marketing, sales, allocation and transportation, reserve and storage, and processing of grain and oil nationwide; ensure the availability of grain and oil for the urban and rural populations and achieve both an overall balance and a local balance; manage and regulate the importation and exportation of grain and oil centrally; administer

national and local grain and oil reserves on behalf of the government at the corresponding level; and ensure the availability of grain and oil supplies to meet military needs and for emergency and disaster relief.

2. Establish a new mechanism to set prices through the market. State grain purchasing and selling prices should be formed through the market in light of grain prices at home and abroad. Moreover, they should be flexibly adjusted to reflect local differences, quality disparities and seasonal factors so that peasants and state grain enterprises can fully recoup from the market their costs of growing grain and their expenses of buying and selling grain, respectively. At the same time, the government should stop paying subsidies to grain traders to cover the latter's policy-induced losses. With grain advance payments and government subsidies amounting to tens of billions of yuan each year these days, we have really reached a point at which "the burden is too much for the treasury, for banks, and for enterprises." History and practice have demonstrated time and again that the old practice of government doling out subsidies, of banks making advance payments in hopes of being repaid later, and of enterprises drumming up business no longer works. To solve this problem at its root, we must look to the market, not the governor of a province. In other words, we must make it possible for the value of grain to achieve self-compensation and self-balance through the market. There is no other better alternative. Grain delivered to the state by peasants as a form of agricultural tax may also be converted into cash payments based on market prices and sent to the treasury.

3. Improve the grain market system and tighten grain market regulation. Grain is a special kind of commodity, so special market management methods are required. In accordance with the principle of "centralizing management, imposing controls at the wholesale end, but deregulating retail," the government must institute a system of restricted market access. For instance, only the reorganized State Grain and Oil Bureau and its branches and the China Grain and Oil Corporation and its branches may be allowed to procure grain in the countryside to prevent a situation in which a multitude of dealers scramble to buy up grain by offering inflated prices, and only state grain enterprises would be allowed in the grain wholesale business to keep out private businessmen who hoard grain for speculation by posing as grain wholesalers. Non-state grain dealers may enter the grain retail business freely by purchasing grain wholesale from state grain enterprises. However, they must adhere to the grain retail gross profit rate set by the state in order to prevent grain prices from soaring and keep the market stable. At the same time, we must

continue to standardize trading behavior on the grain futures market and spot wholesale market and gradually give management a legal basis.

4. Reorganize state grain enterprises as peasants' own economic entities in stages. Under the new grain circulation system, the next step in the deepening of reform should be to link together grain trading enterprises and peasants intimately in an economic union. Consideration may be given to turning state grain enterprises into peasants' own economic organizations where the state controls the majority stake and the peasants are shareholders. The existing state properties may be converted into government investment in the entity in question while new assets may take the form of shares owned by peasants. For instance, every time a peasant sells 100 grams of grain to the state, he may purchase one yuan's worth of stock. This is a new form of grain economic organization whose sole *raison d'être* must be to serve the peasants, establish a genuine economic contractual relationship with the peasants, and operate in a way that protects the capital stock while making minimal profit. In procuring grain from peasants, it may adopt the practice of "selling off the first time, settling account the second time" in order to return to the peasants the bulk of the profits of grain trading. This would be a good way to enhance their coalescing force and inspire the peasants' enthusiasm to grow and sell grain.

5. Target subsidies at the impoverished population in urban and rural areas and victims of disaster. Overhaul the present subsidy program thoroughly by replacing general subsidies with those specifically targeting the poorest among urban and rural populations and victims of disasters. In the case of the urban poor, such as the unemployed; widows, widowers, orphans, and the childless, that is, people who have no kin and cannot support themselves; and the elderly, sick, and handicapped; the finance department may set up a special grain subsidy fund to be run by the civil administration and relief department. This is how it may work. The civil administration and relief department issues grain subsidy coupons to the poor who can then take them to a government-designated grain store to purchase low-priced grain and oil. Next, the grain store settles account with the civil administration and relief department or the finance department based on market prices by presenting the coupons. A similar practice can be adopted to help impoverished households in the villages, in old liberated areas, in minority-inhabited areas, and in remote border areas. In those places too, the subsidy program can be run by the civil administration and relief department or an organization set up to help the poor. As soon as a poor person, urban or rural, finds a job and leaves

the ranks of the destitute, his subsidies should be cancelled immediately. As for relief for disaster victims, special allocations should be made from the disaster relief fund. A subsidy policy to meet military needs may also be devised based on this approach. The advantage of this approach is that it greatly narrows the scope of government subsidies and vastly eases the burden on the treasury even as the neediest segment of the rural and urban populations, as well as, disaster victims are truly provided timely help that would ensure their livelihood. Under this approach, subsidies become more open and effectual and the government's social relief function would be strictly separated from the operations and activities of state grain enterprises.

6. Improve and perfect the grain reserve system. In accordance with the strategic principle of storing up grain against natural disasters and storing grain among the people, we must continue to improve and perfect a three-tier (national, local, and village) grain reserve system and store up enough reserves to meet emergency needs. Consideration may be given to using the savings made by governments at all levels as a result of changes in the subsidy policy to set up grain reserve funds and supplementary grain risk funds. Money may be withdrawn at market-based rates from the funds to pay storage fees to enterprises that manage grain reserves on behalf of the government. By managing and renewing grain reserves based on market prices, we will be able to preserve and increase their value. When there is a bumper harvest or in times of plummeting grain prices, grain must be bought up at protected prices and added to the national grain reserve in order to protect the peasants' vital interests. Conversely, when market grain prices soar, grain reserves must be promptly unloaded on the market to hold down grain prices and protect the interests of urban consumers.

7. Accelerate the modernization of grain circulation facilities and their management. The modernization of grain circulation facilities is the material foundation of a new successful working grain circulation system. Building on the major national mechanized grain depots already in existence and the proposed facility to be created under the World Bank grain circulation project, we should continue to accelerate the construction of the northeast, Changjiang, southwest, Beijing-Tianjin, Longhai, and northwest grain circulation corridors and

gradually put together the framework of a modern grain circulation system. Meanwhile, we must push ahead with computerized management vigorously and create a computer network linking all grain depots in the nation so that grain depots at all levels, including national and local, have ready access to information on grain and oil procurement, marketing, allocation and transportation, and storage across the nation, as well as, information on the domestic and foreign grain markets. That way they will really know how things stand. This is a way to expedite the modernization of management.

***PRC: Shaanxi Province Reports Drought Damage**

96CE0123X *Xian SHAANXI RIBAO in Chinese*
10 Jan 96 p 1

[FBIS Summary] Since the beginning of winter Shaanxi Province has had little rainfall, 11 million mu of winter crops are threatened, of which 2.2 million mu have already been damaged by drought.

***PRC: Yunnan Grain Output Increased in 1995**

96CE0123Y *Kunming YUNNAN RIBAO in Chinese*
11 Jan 96 p 2

[FBIS Summary] In 1995 grain output in Yunnan Province reached 11,889,000 tons, an increase of 492,200 tons over 1994, and average output per mu reached 219.34 kilograms, an increase of 9.08 kilograms over 1994.

***PRC: Yunnan Reports Sugarcane Output, Area**

96CE0123Z *Kunming YUNNAN RIBAO in Chinese*
8 Jan 96 p 2

[FBIS Summary] During the 1995-1996 sugar year the sugarcane area in Yunnan Province exceeded 2.3 million mu, sugarcane output exceeded 10 million tons, and sugar output was 1,050,000 tons. Yunnan market sales of sugar totaled 200,000 tons, and more than 800,000 tons of sugar were sold to Sichuan, Guizhou, Shaanxi, Hunan, Shandong, and Tibet. The sales price of sugar in Guangxi was 4100 yuan per ton, the sales price in Guangdong was 4050 yuan, and the sales price in Yunnan was 4150 yuan per ton, a decrease of 450 yuan from the same period in 1994-1995.

East Region

PRC: Anhui CPPCC Session Ends; Lu Rongjing Elected Chairman

OW2802120896 Hefei ANHUI RIBAO in Chinese
10 Feb 96 p 1

[By reporters Liu Jinglin (0491 7231 3829) and Zhu Wen (2612 2429): "The Fourth Session of the Seventh CPPCC Provincial Committee Ends Triumphantlly"]

[FBIS Translated Excerpt] The Fourth Session of the Seventh Chinese People's Political Consultative Conference [CPPCC] Anhui Provincial Committee ended triumphantly at the Anhui Theater on the afternoon of 9 February, after successfully completing all items on the agenda during the eight-day session.

The executive chairmen of the closing session were Long Nian, Song Ming, and Xu Xueshou.

Lu Rongjing, provincial party secretary and the newly elected chairman of the CPPCC provincial committee; Shi Junjie, the outgoing CPPCC provincial committee chairman; CPPCC provincial committee vice chairmen Wang Sheyun, Qian Jingren, Yue Shucang, Li Mingjun, Rong Guanghong, Xu Rongnan, and Wu Dongzhi; and Secretary General Zhang Zhengbing; were seated on the rostrum.

Provincial party, government, and military leaders and senior officials of Army units stationed in Anhui, including Hui Liangyu, Meng Fulin, Wang Taihua, Fang Zhaoxiang, Chen Guanglin, Shen Shanwen, Wang Yang, Du Cheng, Wang Zhaoyao, Ji Jiahong, Shao Ming, Liu Guangcai, Lu Shengdao, Wu Changqi, Lu Zixiu, Jiang Zehui, Chen Jiye, Cai Bingjiu, Du Yijin, Zhang Runxia, Wang Xiuzhi, Yu Ting, Cao Bingjin, and He Yinghua, attended the closing ceremony and were seated on the rostrum.

Fu Xishou, Standing Committee member of the CPPCC National Committee, was also seated on the rostrum. [passage omitted]

At the session, members unanimously approved the "Political Resolution of the Fourth Session of the Seventh CPPCC Provincial Committee," "The Resolution of the Fourth Session of the Seventh CPPCC Provincial Committee on the Standing Committee's Work Report," and "The Report of the CPPCC Provincial Committee Motions Committee on the Results of Examining Motions at the Fourth Session of the Seventh CPPCC Provincial Committee."

Newly elected Chairman Lu Rongjing spoke at the closing ceremony. He said: The session is being held at a crucial moment in history when Anhui is witnessing rapid economic growth and all-around social progress

and marching toward a more magnificent cross-century goal after successfully completing the eighth five-year plan. During the session, members earnestly listened to and examined the standing committee's and motions committee's work reports; observed the fourth session of the eighth provincial people's congress; listened to and discussed Governor Hui Liangyu's report on the ninth five-year plan for provincial economic and social development and the outline of the long-term target for the year 2010; and listened to and discussed the planning and finance reports. With great political enthusiasm and a profound sense of responsibility, members emancipated their minds, aired views frankly, and offered numerous invaluable suggestions and opinions on deepening reform and opening up wider; on seizing the opportunities to accelerate development; on intensifying the building of spiritual civilization, democracy, and the legal system; on major issues of the masses' concern; and on the work of the CPPCC provincial committee; thereby bringing into full play their functions of participating in the discussion and administration of state affairs as well as reflecting the close relations of sharing weal and woe and treating each other with all sincerity between the CPC and the democratic parties. A lively, motivational atmosphere of democracy and unity has prevailed in the session from beginning to end. The session, which has yielded fruitful results, has been a meeting of carrying forward our cause and forging ahead into the future.

In closing, Lu Rongjing said: At present, Anhui is at a special historical juncture at the turn of the century between two five-year plans. The ongoing fourth session of the eighth provincial people's congress, based on the opinion of the second plenary session of the sixth provincial party committee, has mapped out a clear-cut cross-century blueprint and set the strategic goals, tasks, and measures for the provincial economic and social development in the next five years and 15 years. The accomplishment of these goals are the common task of the people of all nationalities and all sectors in Anhui, and the CPPCC provincial committee is duty-bound to fulfill these goals. Let us rally more closely around the party central committee, with Comrade Jiang Zemin as the core; and, led by the Anhui Provincial CPC Committee, persist in making Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line our guide, hold high the banner of patriotism and socialism, and earnestly fulfill the functions of political consultation, democratic supervision, and participation in the discussion and administration of state affairs in close conjunction with the implementation of Anhui's ninth five-year plan and the outline for the long-term target for the year 2010, thereby striving to contribute

more to winning new victories in Anhui's modernization and opening up a new situation in the CPPCC provincial committee's work.

PRC: Jiangsu Adopts 5-Year Plan, Long-Term Targets

OW2802130196 Nanjing XINHUA RIBAO in Chinese
8 Feb 96 p 1

["Resolution of the Fourth Session of the Eighth Jiangsu Provincial People's Congress on the 'Government Work Report' and 'Jiangsu Province's Ninth Five-Year Plan for the National Economic and Social Development and the Long-Term Target for the Year 2010' (adopted by the Fourth Session of the Eighth Jiangsu Provincial People's Congress on 7 February 1996)"]

[FBIS Translated Text] Through earnest examination and deliberation, the Fourth Session of the Eighth Jiangsu Provincial People's Congress decided to approve the "Government Work Report" by Governor Zheng Silin and the "Jiangsu Province's Ninth Five-Year Plan for the National Economic and Social Development and the Long-Term Target for the Year 2010."

The session maintained: The Eighth Five-Year Plan was a period in which Jiangsu witnessed its best and fastest development since the founding of the People's Republic of China. In the last five-year period, with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guide and under the correct leadership of the party central committee, the State Council, and the Jiangsu Provincial CPC Committee, the people in Jiangsu firmly grasped opportunities, worked hard, forged ahead while constantly breaking new ground, and successfully fulfilled the main tasks set by the Eighth Five-Year Plan. The national economy developed in a sustained, rapid, and healthy way; aggregate economic quantity reached a new height; the economic structure underwent a profound change; and a fine economic situation prevailed in the province, in which all economic sectors moved toward common development. The experimental work of establishing a modern enterprise system was carried out comprehensively; the markets for commodities and production elements continued to expand; macroeconomic management structural, price, and social security system reforms were carried out actively; and the role of the market as the basis in allocating resources was brought into fuller play. An open economy developed at higher levels and in broader fields of endeavor; development zones of various types became new economic points of growth; and opening up to the outside world powerfully pushed Jiangsu's economic construction ahead. The transformation of scientific and technological research achievements into practical productive

forces progressed at an accelerated rate; the province's ability to support modernization through education was continuously enhanced; and a marked improvement was made in the people's standards of living. Quite good results were scored in the building of socialist spiritual civilization; the building of the legal system was continuously strengthened; and phased results were achieved in the work of combating corruption and encouraging honesty. All these constituted a solid foundation for the province to comprehensively achieve a well-to-do standard of living at the turn of this century. The session was satisfied with the enormous effective work the provincial people's government had done in 1995 by centering on the central authorities' principle of "grasping opportunity, deepening reform, opening wider, promoting development, and maintaining stability." The session pointed out: The province's rich practice of reform and opening up to the outside world and economic construction as well during the Eighth Five-Year Plan has provided a previous experience for development in the days to come. In particular, the strategies of development of the province through science and education, economic internationalization, and regional common development, which took shape during the Eighth Five-Year Plan, will surely have a far-reaching impact on and play a positive role in promoting the realization of the cross-century target of endeavor. At the same time, we should soberly notice the difficulties facing us and the shortcomings in our work, and, in view of the problems, such as that the foundation of agriculture was relatively weak; industrial economic efficiency was poor, the development of tertiary industry lagged behind; price hikes were comparatively high; the gap of development between different regions widened considerably; and that transformation in government functions was not carried out speedily, and adopt effective measures to solve them in all earnestness.

The session held: "Jiangsu Province's Ninth Five-Year Plan for National Economic and Social Development and the Long-Term Target for the Year 2010," which was formulated by the provincial people's government in accordance with the "Proposal [jian yi 1696 6231 as published]" adopted by the Third Plenary Session of the Ninth Jiangsu Provincial CPC Committee, embodied the guidelines of the Fifth Plenary Session of the party's 14th central committee; charted a cross-century inspiring, magnificent blueprint with targets and priorities clearly set; reflected the wishes of the people throughout the province; and tallied with the realities in Jiangsu. They should be implemented by the provincial people's government through careful organization.

The session pointed out: The coming 15 years are a crucial period in which we will carry forward what has

been achieved in the province's national economic and social development in the past. It is necessary to mobilize and organize the people across the province with a sense of great responsibility and strong urgency to comprehensively achieve the second-step strategic target and promptly move toward the third step strategic goal. During the Ninth Five-Year Plan, the three major strategies of development of the province through science and education, economic internalization, and regional common development should be further implemented by firmly centering on effecting two fundamental changes in the economic structure and economic growth modes. The pace of agricultural modernization should be accelerated; the gains-to-scale and intensive management level of secondary industry should be improved so that a tertiary industry system characterized by socialization, an appropriate scale, and modernization will take shape as soon as possible; the construction of infrastructures and basic industries should be strengthened; good plans should be made for the construction of the two major economic regions along the banks of the Chang Jiang and of the Hue He and Hai He; importance should be attached to the modernization of cities and towns and the urbanization of rural areas; and the province's economic quality and comprehensive strength should be developed comprehensively. The transformation of scientific and technological research achievements into practical productive forces should be accelerated; the modernization of education should be actively carried out; and the important role of education in stimulating economic growth should be brought into fuller play. Efforts should be made to persist in taking the road to sustained development and unswervingly do a good job of family planning, land management, and environmental protection. Deepening state-owned enterprise reform should be continued; an effective job should be done in building a market system and a social security system; continued efforts should be made to improve macroeconomic management structural reform; and the establishment of a socialist market economic operational mechanism should be speeded up. An open economy should be developed vigorously to provide a broad market for the continued expansion of social productive forces. The building of socialist spiritual civilization and the legal system should be further strengthened; the quality of citizens should be further improved so the urban and rural populations will behave in a more civilized way; and the enthusiasm and creativity of the people throughout the province for modernization should be into full play.

The session pointed out: The year 1996 is the first year for the implementation of the Ninth Five-Year Plan. Doing a good job of this year's work by making a good start is of great significance in maintaining the good momentum of reform, development, and stability and

smoothly fulfilling the various tasks set by the Ninth Five-Year Plan. Greater progress should be made in improving the intensive management level of agriculture, raising the quality of industry by applying modern technology, enhancing tertiary industry's service function, and promoting the combination of science and technology and education with the economy. Resources should be concentrated on strengthening the construction of selected infrastructures so as to provide rallying power for continued economic development. The effort to check excessively rapid price hikes should be continued and market price hikes should be firmly brought within the range of planned targets. Active efforts should be made to carry out the prosperity projects in the "marine [hai shang 3189 0006] eastern Jiangsu" and the region north to the Huai He so as to promote the common development of local economies. Various reforms, including the experiment of establishing a modern enterprise system should be continued, with the stress on making breakthroughs in key and difficult problems. Continued efforts should be made to open wider, with the stress on improving the open economy's soundness and levels. Various social undertakings should be further developed so as to promote economic and social coordinated development.

The session stressed: Governments at all levels should further institute and perfect procedures and rules and regulations concerning democratic supervision, conduct propaganda and education on the legal system, strengthen government legal institutions, and enhance their ability to govern and manage according to law. Continued efforts should be made to comprehensively improve social order and hard work should be done to maintain social stability and good social order. The effort to strengthen education in national defense should be continued and importance should be attached to building national defense reserve forces. The activities of supporting the Army and giving preferential treatment to families of revolutionary army men and martyrs should be carried out intensively and the unity between the Army and the government and between the Army and the people should be strengthened. Government institutions should attach greater importance to self-construction and continuously enhance their work competence. A better job should be done in making cadres perform duties honestly and exercise self-discipline and enhancing their sense of honest and diligent government. Efforts should be made to improve work style, conduct investigation and study in a deep-going way, place great stress on policy implementation, and do more solid work. Transformation of government functions should be accelerated and the process of policy decisionmaking should be made more democratic and scientific.

The session called on the people in the province to take active action, work hard with one heart and one mind to constantly open up new prospects in work, and make great efforts to successfully fulfill the various tasks in 1996, implement the Ninth Five-Year Plan, and build Jiangsu into a province which is economically prosperous, scientifically and educationally developed, rich in life, sound in the legal system, and socially civilized.

PRC: Shanghai People's Congress Session Closes

OW2802114996 Shanghai JIEFANG RIBAO
in Chinese 10 Feb 96 p 1

[By Weng Hongmei (5040 4767 1188): "The Fourth Session of the 10th Shanghai Municipal People's Congress Closes Triumphantly"]

[FBIS Translated Text] After satisfactorily fulfilling various scheduled tasks, the Fourth Session of the 10th Shanghai Municipal People's Congress closed triumphantly at the Central Hall of the Shanghai Exhibition Center yesterday morning. The meeting called on all the people of the municipality to energetically take part in the great practice of reform, opening up to the outside world, and socialist modernization with a strong sense of responsibility and urgency of the times, and, under the leadership of the party central committee, the State Council, and the Shanghai Municipal CPC Committee, to make concerted efforts to carry out solid work in the struggle to realize the sacred mission entrusted to us by history, the comprehensive attainment of the magnificent goals of Shanghai's development straddling this century and the next set in the Ninth Five-Year Plan for the National Economic and Social Development and the Long-Term Targets for 2010 of the Shanghai Municipality!

Yesterday's meeting was presided over by Huang Ju, the executive chairman. Other executive chairmen of the meeting were Chen Liangyu, Ye Gongqi, Sun Guizhang, Tan Jiazhen, Ye Shuhua, Hu Chuangzhi, Chen Mingshan, Hu Zhengchang, Wu Zhaoguang, (the following names are arranged in the order of the number of strokes) Wang Xuegang, Shen Shanchu, Zhang Naisheng, Guo Zuguang, Tan Baiyuan, Cai Zhengde, and Guan Renxin.

The first item on the agenda of the meeting was the election via by-election of some members of the state organs of Shanghai Municipality. The total number of deputies at the meeting was 897, and of them, 843 were present. This formed a quorum. After the namelist of the general scrutineer and scrutineers was approved for the by-election, working personnel of the meeting distributed to deputies the ballots with the bright red seal of the municipal people's congress on them. The

deputies fulfilled their duty, filled in the secret ballots, and cast them one after another into five ballot boxes.

At 1030 in the morning, Huang Ju, executive chairman of the meeting, announced the results of the by-election. Sha Lin and Qi Shigui were elected as vice chairmen of the standing committee of the municipal people's congress; Che Chengtong, Shi Debai, Bao Xinbao, Cheng Sujuan, Liu Yuyang, Zhang Yan, Jin Zhongming, Xu Zhongjun, and Han Kunlin (names are arranged in the order of the number of strokes) were elected members of the standing committee of the municipal people's congress. Zuo Huanchen was elected vice mayor. It was decided that Han Kunlin was the Chairman of the Legal System Committee of the municipal people's congress, Zhang Yan was the chairman of the financial and economic committee of the municipal people's congress, and Qing Zhichun was the chairman of the education, science, culture, and public health committee of the municipal people's congress. Huang Ju invited the newly-elected vice chairmen and vice mayor to come up to the rostrum to meet the deputies. Warm applause followed.

Then, by a show of hands, the meeting adopted a resolution concerning the Ninth Five-Year Plan for the National Economic and Social Development and the Long-Term Targets for 2010 of Shanghai Municipality and concerning a report on the "Long-Term Targets," a resolution concerning the implementation of the 1995 Economic and Social Development Plan of Shanghai Municipality and the 1996 Plan, a resolution on the implementation of the 1995 Budget and the 1996 Budget, a resolution concerning the work report of the Standing Committee of the Shanghai Municipal People's Congress, a resolution concerning the work report of the municipal higher people's court, and a resolution on the work report of the municipal people's procuratorate.

Huang Ju said: The coming 15 years are an important period for Shanghai to carry forward reform, opening up to the outside world, and modernization and to develop them. The last five years in this century are a crucial period for Shanghai to strive to attain the magnificent strategic goal of "one dragon head and three centers." We are faced with very arduous tasks. Let us, under the leadership of the party central committee with Comrade Jiang Zemin as its core, uphold Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, be of one heart and one mind, be united in our struggle, seize opportunities, forge ahead with keen determination, truly grasp our work and do solid work, and make even greater contribution to realizing the magnificent blueprint straddling this century and the next and to

building Shanghai into a socialist modern international economic center as soon as possible!

In conclusion, Huang Ju announced the triumphant close of the Fourth Session of the 10th Shanghai Municipal People's Congress. All deputies stood up and sang aloud the national anthem.

Municipal party, government, and military leaders attending yesterday meeting and sitting on the rostrum were: Xu Kuangdi, Chen Zhili, Zhao Qizheng, Luo Shiqian, Jing Binghua, Zhang Huixin, Hua Jianmin, Meng Jianzhu, Xie Lijuan, Xia Keqiang, Jiang Yiren, Gong Xueping, Wang Shenghong, Zhao Dingyu, Zheng Lizhi, Chen Haozhu, Liu Hengyuan, Chen Zhengxing, Li Wuwei, Wang Wenhui, and Ling Jingcheng, as well as veteran leaders Chen Guodong, Hu Lijiao, Yan Youmin, Xia Zhengnong, Zhao Xingzhi, Chen Yi, and Yang Di. Dong Yinchu, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; Hu Ruibang, president of the Municipal Higher People's Court; and Ni Hongfu, chief procurator of the Municipal People's Procuratorate, also sat on the rostrum.

Southwest Region

PRC: Sichuan Increases Intellectual Property Protection

OW2802065496 Beijing XINHUA in English
0644 GMT 28 Feb 96

[FBIS Transcribed Text] Chengdu, February 28 (XINHUA) — Southwest China's Sichuan Province has made progress in cracking down on the infringement of intellectual property rights.

The province handled 1,367 infringement cases last year, and local government officials carried out 113 inspections of audio-video markets as well as disc and computer software shops in the province.

Meanwhile, 1,315 cases of trade-mark infringement were dealt with and 1,742 illegal trade marks were cancelled in Sichuan.

The province also resolved 230 patent infringement cases in 1995.

PRC: Sichuan Investment in Infrastructure in 8th Plan Noted

OW2602134796 Beijing ZHONGGUO XINWEN SHE
in English 1119 GMT 26 Feb 96

[FBIS Transcribed Text] Chengdu, February 26 (CNS) — During the "Eighth Five-Year Plan", Sichuan Province invested over RMB [renminbi] 13 billion (about HK\$ 12.1 billion) in communications infra-

structure. Highway reconstruction covered 10,000 kilometres and the province now boasts over 100,000 kilometres of highway.

According to the Sichuan Department of Communications, 59 percent of the length of highway rebuilt was A grade road. Moreover, 232 kilometres of inland waterways were realigned to bring port handling capacity to 2.5 million tonnes.

The Chengdu-Chongqing Expressway, which took five years to build, was opened last September. This has facilitated transport between Chengdu and Chongqing and is the province's first expressway.

Civil aviation also shared in the progress achieved in the "Eighth Five-Year Plan" (1991,1995) at the end of which there were more than 140 air routes with an annual throughput of 4 million.

Communications development was sustained over the period of the plan. Public transport doubled compared with the end of the "Seventh Five-Year Plan"; the number of public ferries rose to 13,000. Highways and water routes increased by 30 percent and 80 percent respectively. Cargo transported to and from Sichuan along the Yangtze River rose by 67 percent over the "Seventh Five-Year Plan" period.

PRC: Report on Progress of 62 Aid-Tibet Projects

HK2702034596 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 17 Jan 96 p 2

[Report from Lhasa by Staff Reporter Zhang Zhong (1728 1813): "Sixty-Two Key Projects for Aiding Tibet Have Been Progressing Smoothly"]

[PTS Translated Text for FBIS] Lhasa, 16 Jan — The 62 key projects invested in by the relevant central departments and commissions, various provinces, autonomous regions, and cities for aiding Tibet have been progressing smoothly. By the end of last year, investments of 3.366 billion yuan had been made in these projects, and 42 projects had been completed and made available to the users.

In July 1994, at the third Tibet work meeting convened by the central authorities, the CPC Central Committee and the State Council decided that the whole nation should support Tibet and help it complete 62 projects urgently needed for the current economic and social development to greet the 30th anniversary of the founding of the Tibetan Autonomous Region. Also, the whole nation should support the region to achieve its strategic target of economic and social development, so that by the end of this century the Tibetan people, like people throughout China, will also be able to live a relatively

comfortable life. This marked the second construction upsurge of Tibet since the 1980's.

The original total investment for the 62 projects arranged by the central authorities was 2.38 billion yuan. Of these projects, 30 were undertaken by the relevant central ministries and commissions with investments amounting to 1.802 billion yuan, which accounts for 75.7 percent of the total investments. In addition, 32 projects were undertaken by relevant departments of various provinces, cities, and regions with investments reaching 578 million yuan, which accounts for 24.3 percent of total investments. According to plan, these projects cover a floor space of 480,000 square meters. Thanks to the efforts made last year, 40 projects were completed in August last year on the eve of the great celebration of the 30th anniversary of the founding of the autonomous region. All these completed projects are up to standard, with 29 classified as excellent quality projects. The fine quality rate of these projects was 68 percent.

A number of projects closely related to the livelihood of the masses have begun to yield their benefits. The completion of projects such as the Langjiu geothermal power station and the transformation of Tanghe power station have eased the strains, or initially satisfied power supply demand in the seat of the Ngari Government Office, Dengqen County, and other places. The completion of Lhasa-Shannan and Lhasa-Xigaze optical fiber project has included counties along the line into this optical fiber telecommunications network. The completion of the five grain and edible oil processing plants and bases in Lhasa and Qamdo has increased their annual processing capacities of flour and rapeseed oil by 35 million jin and three million jin respectively. This has improved the situation of grain and edible oil supplies for the masses in both urban and rural areas. The completion of five secondary schools, including the Number Two Secondary School in Xigaze and Lhari County Secondary School, has enabled those newly established secondary schools to recruit an additional 4,900 students to alleviate the difficulties of students in some counties and cities in attending school. Completion of 550 township-level solar radio and television relay stations has increased the coverage rates of radio and television from the previous 40 and 36 percent to the present 50 and 40 percent, basically attaining the target of having radio and television relay station in every township. The completion of a number of new ground and underground water supplies projects and facilities for daily livelihood has changed the face of cities and towns, provided people with more convenience in their daily lives, and considerably improved working and living conditions in 37 border and impoverished counties.

PRC: Tibet Meeting Reviews Work of Selecting New Panchen

OW2702055296 Lhasa XIZANG RIBAO in Chinese
13 Feb 96 p 1

[By XIZANG RIBAO reporter Yixi Jiacao (4135 6007 0502 2238), trainees He Haizhen (0149 3189 3791) and Chen Hongsheng (7115 7703 5110)]

[FBIS Translated Text] On the afternoon of 10 February, the party committee and government of the autonomous region held a meeting to sum up the work of searching for and identifying the soul boy for the 10th Panchen. The work of arranging the reincarnation of the 10th Panchen, which has been brought to the notice of the world, has now been successfully completed. This marks another great victory for the party's nationality and religious policies in the region, and also marks another crushing failure for the Dalai clique's sinister plot to create turmoil in Tibet and split the motherland by means of violating religious rites and established conventions.

The meeting was chaired by Danzim, deputy secretary of the party committee of the autonomous region. Laba Pingcuo, vice chairman of the regional government, made an important speech. Regional leaders Yang Chuantang, Chen Hanchang, Li Liguo, Puqung, Gyibug Puncog Cedain, Toinzhub, Yang Song, Cering Zhuoga, and Lhamin Soinam Lhunzhub attended the meeting.

In his speech, Laba Pingcuo extended cordial regards to friends and comrades who had made painstaking efforts in the work, and expressed heartfelt gratitude to people in all circles and to the cadres and the masses of all nationalities who cared and supported the work. He said: Over the past six years, as the party Central Committee and the State Council attached great importance to this work, under the direct leadership of the regional party committee and the regional government, with a joint effort made by Zhaxi Lhunbo Lamasery, the eminent monks in Tibetan Buddhist circles, and by all relevant units and comrades participating in and supporting the work of arranging the reincarnation of Panchen, the selection and installation of the Panchen's reincarnated soul boy, a great event in Buddhism that attracted worldwide attention, has been successfully accomplished. This was a great victory for the party's nationality and religious policies in the region. The victory marked the successful accomplishment of the search for and identification of the Panchen's reincarnated soul boy. This maintained the stability of Tibet's situation, safeguarded the authority of the central leadership, foiled the plot by the Dalai clique, and created a successful precedent for a living buddha's reincarnation in New China.

Laba Pingcuo said: The achievements in the work to search for and identify the 10th Panchen's reincarnated soul boy were mainly attributed to the keen care and close attention of the party Central Committee and the State Council, to the support and cooperation of all relevant central departments and provinces and autonomous regions, and to the joint efforts of the eminent monks of the Tibetan Buddhist circles, especially the patriotic monks in Zhaxi Lhunbo Lamasery and the joint efforts of people of all nationalities and circles under the leadership of the party committee and the government of the autonomous region. This was the result of persistently acting according to the instructions and policies laid down by the central leadership. Laba Pingcuo said: From the very beginning, the Dalai clique tried to have a hand in the Panchen's reincarnation, and contended with us for the power to lead the process of searching for the soul boy and making the final decision on selecting him. On 14 May 1995, the Dalai Lama openly declared his selection of the "Panchen's reincarnated soul," in an attempt to change Master Panchen's tradition of loving the motherland and loving Buddhism, by intervening in the Panchen's reincarnation and thus bringing chaos to Tibet. According to the instructions of the party Central Committee and the State Council, the regional party committee and the regional people's government led the entire clergy and laity of Buddhism in Tibet to carry out a tit-for-tat struggle against the Dalai clique. A campaign was launched throughout Tibet to expose, criticize, and condemn the Dalai's attempts to split the motherland and disrupt the work of the search for and identification of the Panchen's reincarnated soul boy. This enabled the clergy and laity of Buddhism to see more clearly that the Dalai Lama was the chief of the separatist political clique that aimed to achieve independence for Tibet, an instrument that loyally served the international anti-China forces, the root cause of attempts to create social turmoil in Tibet, and the largest obstacle to the establishment of a normal order in Tibetan Buddhism. This thus enabled them to more clearly see through the nature and attempt of the Dalai. At the same time, through all the means of propaganda and mass media, namely, radio broadcasts, television, and newspapers, we gave extensive publicity to the instructions of the party Central Committee, enabled the people to understand that the party and the government attached great importance to and showed cordial care for the work of searching for and identifying the reincarnated soul boy, let the people know that all activities strictly followed religious rituals and established conventions, and deeply exposed the deeds of the Dalai clique in disturbing and hindering the work of searching for and identifying the reincarnated soul boy. Through our effective propaganda, the masses were aware of the

true facts related to the Panchen's reincarnation, and a strong force of public opinion was created to publicize the party's principles and policies. This laid a good ideological foundation and a benign public opinion environment for the implementation of central policies, for smoothly fulfilling the task of arranging the Panchen's reincarnation, for smashing the Dalai clique's conspiracy, and for keeping the situation in Tibet stable. Efforts were made to bring every detail of such large-scale activities as the drawing of lots from a golden urn into line with established conventions and religious rituals. This not only safeguarded state sovereignty and embodied the supreme authority of the central government, but also came into line with the party's policy for guaranteeing freedom of religious belief. In the process of searching for and identifying the Panchen's reincarnated soul boy, a large quantity of Buddhist events, including scripture chanting, prayer, pilgrimage to the holy lake, divination and alms collection, was held with coordination made through Zhaxi Lhunbo Lamasery. In the final stage of identifying the Panchen's reincarnated soul boy, such Buddhist events were held as the consecration of the golden urn, scripture chanting and prayer, alms giving, and the consecration of thousands of holy lamps. In the whole process of reincarnation, attention was given to demonstrating the authority of the central government and also to the pursuit of the religious rituals and established conventions in bearing in mind the characteristics of the times and actual conditions, thus setting a precedent for the system of establishing a major living buddha's reincarnation in New China.

Finally, Laba Pingcuo said: Through arranging the Panchen's reincarnation, we have smashed the Dalai's political conspiracy and attempt to take advantage of the Panchen's reincarnation. However, the Dalai will never resign himself to failure, and will certainly try by various means to use his religious influence to carry out the criminal activities of splitting the motherland and damaging nationality unity. Therefore, we must be soberly aware that the Dalai is not only the chief culprit in the meddling in and disruption of the Panchen's reincarnation, but is also the general root cause of social turmoil in Tibet and the undermining of Tibet's stability, unity, and economic construction. We should respond to General Secretary Jiang's recent repeated call to pay attention to politics, keep a firm stand and a clear-cut attitude in safeguarding state sovereignty, safeguard the authority of the central leadership, safeguard the unification of the motherland, safeguard nationality unity, safeguard the stable and united political situation, and deeply expose and criticize the crimes of the Dalai clique in bringing calamity to Tibet and Tibetan Buddhism.

At the meeting, the leadership of the autonomous region also commended some institutions and individuals who made outstanding contributions to the reincarnation of the 10th Panchen.

PRC: Yang Rudai Speaks at Yunnan CPPCC Session

*OW2602135796 Kunming YUNNAN RIBAO
in Chinese 7 Feb 96 pp 1, 2*

[Speech by Yang Rudai, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, at the Fourth Session of the Seventh Yunnan Provincial Committee of the Chinese People's Political Consultative Conference on 6 February]

[FBIS Translated Text] Members and comrades:

The convocation of the Fourth Session of the seventh provincial committee of the Chinese People's Political Consultative Conference [CPPCC] is a great event in the political life of people of various nationalities in Yunnan. On behalf of the CPPCC National Committee and Chairman Li Ruihuan, and also in my own name, I wish to extend warmest greetings to the successful opening of the Fourth Session of the Seventh Yunnan Provincial CPPCC Committee! I also wish complete success of the session!

During the past year, the CPPCC National Committee and CPPCC organizations at various levels seriously implemented the "provisions on political consultation, democratic supervision, and participation in the administration of state affairs" under the guidance of related documents of the CPC Central Committee, and promoted the development of roles and functions of CPPCC organizations in an orderly and systematic manner. The Third Session of the Eighth CPPCC National Committee decided that an important regular work of CPPCC organizations and their members is to understand and reflect the people's opinions. The decision has played an important role in raising CPPCC members' ability to participate in the administration of state affairs, enlivening the work of CPPCC organizations, helping the party and government understand the actual situation, and making policies in a democratic and scientific manner. During the past year, CPPCC committees at various levels took the overall situation into consideration, served the central task, gave full play to their advantages in various work, and made new contributions. According to the situation of the society and people's opinions and based on investigation and study, the CPPCC National Committee provided 17 suggestions and opinions for the CPC Central Committee in formulating the "Ninth Five-Year Plan for National Economic and Social Development" and the Long-Term Target for the

Year 2010. Those suggestions and opinions were in the main accepted by the CPC Central Committee and the State Council. At present, CPPCC organizations at various levels are studying and offering suggestions for the implementation of the "Ninth Five-Year Plan" and the Long-Term Target for the Year 2010.

Under the leadership of the Yunnan Provincial CPC Committee and with the support of the Yunnan Provincial People's Congress and the Yunnan Provincial People's Government, the Yunnan Provincial CPPCC Committee has made important contributions to promoting economic construction, unity of various nationalities, and social progress and stability. It has established a practical model for implementing the related documents of the CPC Central Committee and the CPPCC National Committee's "provisions on political consultation, democratic supervision, and participating in the administration of state affairs in light of Yunnan's actual conditions. It has also gained very good experiences in helping poor people in areas with residents of minority nationalities. This is the result of joint efforts by all CPPCC members who have given full play to their roles.

Members: This is the first year for implementing the "Ninth Five-Year Plan" and the Long-Term Target for the Year 2010. Our CPPCC organizations must firmly adhere to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line; conscientiously implement the policy of the CPC Central Committee on "seizing opportunities, deepening reform, opening wider to the outside world, promoting economic development, and maintaining stability;" carry out investigations and study for promoting the "two shifts [the shift of the economic system from the traditional planned economy to a socialist market economy and the shift of economic growth mode from being extensive to intensive];" and support the sustained, rapid and healthy development of the national economy. We should make practical and feasible suggestions and opinions to the party and government in a better way. An important topic of discussion at the Sixth Plenary Session of the 14th CPC Central Committee this year is the promotion of socialist culture and ideology, which is a very important thing related to the whole society. The 34th chairmanship meeting of the Eighth CPPCC National Committee discussed the investigation reports on promoting socialist culture and ideology submitted by the CPPCC National Committee's special committees for education, science, culture, public health, sports, women, youth and the legal system.

The chairmanship committee decided to make suggestions to the CPC Central Committee on how to further

strengthen the building of spiritual civilization in the name of the CPPCC National Committee. It hoped that CPPCC organizations at various levels will make more contributions to promoting socialist culture and ideology.

Members: The party central committee, with Comrade Jiang Zemin at the core, has attached great importance to the work of the CPPCC. To strengthen and improve the party's leadership over the work of the CPPCC, the party central committee issued, especially, a "circular" to party committees at various levels. This year the CPC Central Committee's Political Bureau Standing Committee, again, clearly put forward the demand on giving full play to the role of the CPPCC and further promoting the CPPCC's political consultations, democratic supervision, and participation in the administration of state affairs in a regular and systematic manner. Now party and government leaders at various levels are paying more attention to the work of the CPPCC and have created very good conditions for developing its work. The Yunnan Provincial CPC Committee has issued, especially, a circular to various places on implementing the "provisions on political consultation, democratic supervision, and participation in the administration of state affairs." This has effectively promoted the progress of the work of providing political consultations and democratic supervision and of taking part in the administration of state affairs. Let us rally around the party central committee with Comrade Jiang Zemin as its core and make new contributions to fulfilling the roles and functions of the CPPCC, promoting the great cause of building socialism with Chinese characteristics, implementing the "Ninth Five-Year Plan" and the Long-Term Target for the Year 2010, and accomplishing the great task of peaceful reunification of the motherland.

Finally, I hope the CPPCC Yunnan Provincial Committee will, under the leadership of the Yunnan Provincial CPC Committee, seriously implement the guidelines of the current session, discuss important matters, do practical things, and make new and still greater contributions to promoting Yunnan's economic construction, the construction of socialist culture and ideology, the building of a legal system, unity and stability.

North Region

PRC: Inner Mongolia Building Car Trade Center
OW2802070396 Beijing XINHUA in English
0648 GMT 28 Feb 96

[FBIS Transcribed Text] Beijing, February 28 (XINHUA) — Work has started on the construction of a large automobile trade center in the Inner Mongolia Autonomous Region of north China.

The Saihanlu Automobile Market, in the region's capital city, Hohhot, represents an investment of 450 million yuan.

The center will have a floor area totalling 450,000 square meters, and will specialize in automobile trade, repairing, finishing, assembling and component supply, said the CHINA MACHINERY AND ELECTRONICS NEWS.

The center will become operational by the end of this year.

PRC: Tianjin CPC Committee Adopts 9th 5-Year Plan Goals

SK2702104496 Tianjin TIANJIN RIBAO in Chinese
6 Jan 96 pp 1, 2

[The Proposal of the Tianjin Municipal CPC Committee for Formulating the Ninth Five-Year Plan for Economic and Social Development and the Long-Term Target for the Year 2010, adopted at the fourth enlarged plenary session of the Sixth Tianjin Municipal CPC Committee on 27 December 1995]

[FBIS Translated Text] The fourth enlarged plenary session of the Sixth Tianjin Municipal CPC Committee has conscientiously lived up to the spirit of the fifth plenary session of the 14th party Central Committee; has summarized the results and experiences of our municipality since reform and opening up; has analyzed the situation and mission for the period from this day forward; and has proposed the following suggestions for the Ninth Five-Year Plan for economic and social development as well as the long-term targets for 2010:

I. The Historic Mission for the Turn of the Century

1. Tianjin Municipality is situated at an important period of historical development. From now through the first 15 years of the next century, Tianjin faces an extremely important period linking the past with the future. During this period, we must fully realize the second phase of strategic targets and must take a substantial step toward the third phase of strategic targets; we must establish a more perfect socialist market economic system, and must improve the distribution of resources; and we must establish Tianjin as one of the first districts in the nation to realize basic modernization in order to substantially raise the level of potential power and the standards of the people's material and cultural life. During this time, we face some rare historical opportunities, but we also face staunch challenges. Establishing the Ninth Five-Year Plan and the long-term target for the year 2010, and accelerating the process of establishing modernization, will affect the kind of attitude and type of image Tianjin will bring

to the 21st century, and will affect Tianjin's position and function on the national scale as well as affect the future of Tianjin. We must clearly recognize the situation, with a high degree of mission and urgency; must rouse vigorous efforts for prosperity; must unite in our struggle; must bring prosperity to the municipality and to the people; and must recreate the glory of Tianjin.

2. Continue to move forward on the foundation of existing results and experiences. Over the 17 years since reform and opening up, previous municipal party committees and municipal governments have conscientiously lived up to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guidelines, direction, and policies since the third plenary of the 11th party Central Committee, and have led the people of the municipality in their hard work and efforts to establish a new aspect in establishing reform, opening up, and modernization. This has been the most rapid and greatest period of growth in the history of Tianjin. The combined economic potential was significantly strengthened, the lives of the people continued to improve, and the level of market orientation and the socialization of the economy was raised significantly, while the basic structures for overall opening up were established; in addition, economic development began to enter a period of rapid growth. Major progress was achieved in party building, in the establishment of a spiritual civilization, in the establishment of democracy and a legal system, and in all aspects of societal undertakings; in addition, the favorable situation of political and social stability was consistently maintained. More importantly, we conscientiously implemented the orders of the party Central Committee and State Council; strived to set out from the reality of the old coastal industrial and commercial city of Tianjin; and gradually explored a path for the simultaneous progress of the material and spiritual civilization, of a coordinated economy, and of the mutual promotion of social development, reform, development, and stability. This has contributed valuable experience and has consolidated a solid foundation for the future development of Tianjin.

3. Seize opportunities, bring advantages into full play, and further accelerate development. Beginning now, the global technological revolution will change from day to day, the pace of adjustment of industrial structures will accelerate, and economic development in the Asia-Pacific region will become more lively. This will supply beneficial conditions for the rapid development of Tianjin Municipality; for the municipality's participation in international competition and in the division of labor; and for the reception of the world's transfer of industry, capital investment, and technology. The central government has decided to accelerate the steps to

open up and develop the Bohai Sea Economic District; the Bohai Sea district occupied by Tianjin is now becoming the next region of opportunity and vigor, following the Zhu Jiang Delta and the Chang Jiang Delta. This offers a new opportunity for our development. As the socialist market economic structures are established and the national plan for the regional economy is implemented, Tianjin's function as the largest open city along the northern coastal region of our nation will be further brought into full play.

Tianjin has the benefits of location, harbor, land resources, industrial foundation, technological talent, and social environment. Together, these benefits form a unique combination. In the process of economic reform, vitality and potential will be further strengthened. The new points of economic growth—such as the new coastal region, village industries, the three types of foreign-funded enterprises, and a group of major construction projects—are currently bringing their functions into full play. Especially, the people have a strong will to revitalize Tianjin, which is a massive reservoir of enthusiasm for accelerating development. In this new era, we must tightly grasp opportunities for development; must meet challenges with a new attitude; must bring our advantageous qualities into full play; and must convert our great potential into actual strength.

4. Highly prioritize and make great efforts to solve major problems on the road to progress. Most importantly, the effects of the traditional views of a planned economy are far reaching, hence the effects of habit and limits resulting from the old system are still great; the economic structure is still not rational; secondary industries are not competitive enough; the development of tertiary industries is lagging; the production and management of state enterprises faces many problems and bears heavy burdens; administrative structures and management mechanisms do not meet the demands of the market economy; the mode of economic growth is extensive, and the quality and efficiency of the overall economic operation is not high; the income level of urban and rural residents is not high enough, with a segment of the masses being badly off; and there are still problems facing the establishment of a spiritual civilization, democracy, and legal system that need to be resolved. We must face up to the existing problems and difficulties, must further emancipate our minds, must open up thinking, and must realistically solve these problems through reform and development.

II. Developmental Targets and Guiding Policies

5. Comprehensive targets for economic and social development. Until 2010, we should strive to build Tianjin into one of the first regions to achieve basic mod-

ernization, to become the nation's northern commercial and financial center, a technologically advanced base for comprehensive industries, and a fully opened modern international harbor metropolis. In order for Tianjin to strive to become our nation's northern economic center, the "one base and five centers" need to be successfully established.

— Successfully establish an industrial base. With new high- technology industries as a precursor, with the four pillar industries as the bone structure, and with a batch of name-brand products and large industrial groups as support, we should create a modernized base of reasonable structures closely related industries, and should achieve technological advancement for comprehensive industries.

— Successfully establish a commercial center. We must possess a fully capable and orderly operated consumer market with far-reaching effects and advanced exchange techniques; must create a more perfect commercial product market system; and must become a major distribution center for the exchange, import, and export of products.

— Successfully establish a financial center. We must possess numerous domestic and international financial institutions as well as modern, diverse financial tools and methods; we must also create a more developed financial market with stronger capabilities for concentrating, investing, and circulating capital.

— Successfully construct a technology development and information center. We must possess high-standard research institutions, a concentration of talent, and strong technological research development capabilities in order to continuously supply advanced and useful technological results for economic construction and social development. We should establish a multi-purpose modern communications system using fiber optics, microwaves, and satellites as major methods of transferring information. We should possess complete institutions and facilities for developing information resources and services; should realize a global information network; should establish a more complete information market; and should form a more developed information industry.

— Successfully establish a communications and transportation system. To create a land-air-sea-combined communications and transportation system with the characteristics of a harbor in order to become an important transportation hub in our nation's northern region, we must possess a sea port with advanced facilities and complete capabilities whose capacity will total 100 million tonnes; an international airport with a multitude of air routes and a first- rate administration and service;

and a railroad and highway network that goes in all directions.

— Successfully establish an international exchange center. We must create the environment and conditions for international economic transactions and cooperation. In order to create a social and cultural structure, as well as an image and spirit of the times that is comparable to that of major international cities, we must also possess conference, exhibition, cultural, and athletic facilities that meet international standards and which can undertake large national and international economic, commercial, cultural and athletic events that meet high standards.

6. Comprehensive development targets to be implemented in two stages.

The first stage: From 1996 to 2000, we should take the first steps to establish a socialist market economic system and an operating mechanism; we should also accelerate the implementation of the targets for the coming three, five, eight, and 10 years to establish a better economic structural foundation and material and technological foundation for fulfilling the comprehensive targets. The gross domestic product [GDP] in 1996 should be quadruple that of 1980. During the Ninth Five-Year Plan, the pace of its average annual growth is planned at 10 percent; we will strive to make 1998's per capita GDP quadruple that of 1980 and to raise the people's standard of living to a fairly comfortable standard ahead of schedule.

The second stage: From 2001 to 2010, we should form a more complete socialist market economic structure; should fully fulfill comprehensive development targets; and should significantly raise the overall strength and quality standard. GDP should more than double the GDP of the year 2000, thereby enabling people to lead an even more comfortable life.

The key to realizing the Ninth Five-Year Plan and the targets for the year 2010 is to implement the two basic transitions that affect the overall picture. The first is the shift from the traditional planned economic system to a socialist market economic system. The second is the shift from an extensive growth mode to an intensive growth mode. These will promote the sustained, rapid, and healthy growth of the economy and the overall progress of society.

7. Initiate strategic adjustments to the industrial structure. Actively strengthen the primary industries, adjust and increase secondary industries while strongly developing tertiary industries, and conscientiously work to improve their structure and distribution. During the Ninth Five-Year Plan period, the growth rate of tertiary

industries should exceed that of primary and secondary industries. By 2000, their ratio should be 5:50:45, and by 2010, the ratio should be 2:43:55.

8. Guidelines and principals that economic and social growth should follow over the next 15 years.

First, we should be steadfast in upholding the party's basic theories, basic line, and basic guidelines as guidance. All party members and all citizens of the municipality should further equip their minds with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; should ceaselessly strengthen and implement the awareness and confidence in the party's basic line; should be steadfast in liberating thinking; should seek truth from facts; should start from reality; and should ask of each task whether it is beneficial to developing the productive forces of a socialist society, whether it is beneficial to fortifying the combined strength of a socialist nation, and whether it is beneficial to raising the people's standard of living. We should tightly grasp the general task of the entire party and nation, and should correctly handle the relationship between reform, development, and stability.

Second, we should persist in taking hold of opportunity and accelerate development. Development is the essential criterion, the key to solving all the problems that exist in Tianjin. The sustained, rapid, and healthy development of the economy calls for the actualization of unity in speed and efficiency, for unity in micro vitality and macro-control, for unity in the growth of quantity and the improvement of structures, and for unity in economic development and social progress. We should realistically increase the strength of the economy, increase the efficiency of industry, and increase the people's income.

Third, we should persist in regarding increased economic returns as the central task. We should accelerate the actualization of the shift in the mode of economic growth from an extensive mode to an intensive mode. We should strive for better efficiency in structural improvement, in market mechanisms, and in technological advances. We should steadfastly develop and economize on resources; should put conservation first; and, by all possible means, should reduce the amount of usage and the consumption of resources in the areas of production, construction, circulation of commodities, and consumption. Through hard work, we should bring the economic efficiency index to a higher level than the national average.

Fourth, we should persist in making the city prosperous through technological education. We should put economic construction on the path of depending on technological advancement and of raising the quality of labor-

ers. Vigorous efforts must be made to promote the close integration of technology, education, and the economy; to raise the content of technology in economic growth and the overall quality of the economy; and to depend on technological advancements to establish the highest point of development in the next century. We should put forth educational development as the basic strategy for accelerating the modernization of our municipality, should raise the overall quality of people, and should nurture a group of specialized talents in order to provide a strong support for qualified personnel and talents for the realization of the cross-century magnificent goals.

Fifth, we should persist in pushing forward the development of the economy and all industries through in-depth reform. We should rapidly realize the basic shift from the traditional planned economic system to the socialist market economic system. We should make reforming state-owned enterprises a key link in reforming the economic system, with the establishment of a modern enterprise system as a direction, and should bring into full play the guiding role of the state-owned economy. We should further renew attitudes, bravely break new ground, boldly conduct practice, and intensify from all sides each aspect of reform; we should also promote the vigorous development of the economy and society.

Sixth, we should persist in expanding outward and inward opening up. We should bring into full play Tianjin's combined advantageous characteristics to establish a beneficial environment for investment and to further develop an open economy. We should continue to accelerate the pace of outward opening up; should continue to strengthen internal alliances and cooperation; should fully utilize the two types of domestic and foreign funding, resources and markets; should promote high-level, broad-scope outward and inward opening up; and should continue to deepen development.

Seventh, we should persist in the simultaneous progress of the material and cultural civilization, and in the balanced development of the economy and society. We should prioritize the construction of the material and spiritual civilization as the unified target for struggle; should unswervingly attend to two tasks simultaneously and succeed in both; and should continue to raise the overall cultural standard of the city. We must achieve not only economic prosperity, industrial vitality, and wealth for the people, but must also achieve the correct societal mood, good order, and high quality. We should put the overall development of society in a strategic position; should promote a fair, safe, civilized, and healthy society; and should realize the continued coordinated development of the economy and society.

Eighth, we should persist in the ideological path of doing everything for the people, and everything depends on the people. We should well remember the basic mission of serving the people wholeheartedly and single-mindedly; should continue to carry forward the fine tradition of the party's mass line and political superiority; should wholeheartedly seek out benefits for the masses; and should attend to real tasks. In thinking about problems, establishing policies, and attending to tasks, we should give the main consideration to the widespread masses who are below the lower- middle income level. We should be attentive to listening to the opinions of the masses; should combine the efforts of the masses; should pool the wisdom of the masses; should respect the pioneering spirit of the masses; and should realistically guide, protect, and bring into play the initiative of the masses.

III. Establish a Technologically Advanced Comprehensive Industrial Base

9. We should circulate reserves, improve increases in quantity, and recreate Tianjin's new industrial advantages. Over the next 15 years, Tianjin's industry must take the path of quality; must develop in the direction of high technological content, high added- value, and high efficiency; and must accelerate the process of modernization, forming a technologically advanced comprehensive industrial base. During the period of the Ninth Five-Year Plan, the mission to merge, reform, and adjust large and medium state enterprises must be accomplished. We should also accomplish major items of construction, nurture and develop pillar industries that can spur on the growth of the entire economy and structural upgrade, and construct a group of new and prosperous industries of advanced international and domestic standards; should continue to implement the project to improve the general auto industry company and the steel tube company, to improve 20 municipal-level key enterprises, and to improve 200 key enterprises of bureaus, districts, and counties in order to create a group of name-brand products that will occupy an important position in the international and domestic markets; and, through the flow and reorganization of reserve assets and the optimal distribution of new assets, should create a group of large cross-industry, cross-regional, and international industrial groups.

10. We should enrich and strengthen pillar industries. With raising the quality and efficiency of the industrial economy as a focal point, we should choose superior aspects to give support to, concentrate efforts to make breakthroughs in, and accelerate the development of pillar industries. Further economic scales must be formulated in the four main pillar industries of the automo-

tive and machinery, electronic, chemical, and metallurgical industries in order to raise the standards and the market presence. In the automotive industry, we should focus on developing cars; should take the initiative to develop spare parts; and should strengthen the ability of independent development and assembling to become one of the nation's largest production bases for cars. In the machinery industry, we should vigorously develop numerical-controlled machine tools, power engineering machinery, energy and electrical power, and all types of complete-system facilities. The electronics industry should combine production, software, and information service, with the focus of development on the fields of communications facilities, electronic computers, software, and integrated circuits. We should vigorously develop new types of electronic devices and consumer products with market advantages, and should create a major base for the national electronic industry. The chemical industry should successfully combine the petrochemical and marine-chemical industries; should prioritize the development of organic raw materials and synthetic materials, such as ethylene and polyester; should spur on processed products; should vigorously develop fine chemicals; and should create an important base for the chemical industry of the nation. The metallurgical industry should focus on developing high-quality steel pipes, high-grade metal products, and high-quality and effective steel products in order to create a prominent and unique metallurgical industry base. We should effectively handle the relationship between the pillar industries and other industries in order to bring into play the function of the pillar industries to spur on other industries. We should vigorously nurture and support the business and products that have great market potential and economic benefits in order to create new pillar industries.

Light and textile industries should be guided by the market and should rapidly make structural adjustments; should rapidly undertake technological conversions; should rapidly develop new products; should raise the level of market presence and ability to generate revenues through export; and should create new advantages for the industry and products in order to make a contribution to constructing a technologically advanced comprehensive industrial base.

11. We should fully implement the brand-name product strategy. Making efforts to develop brand-name products with high technological content, a good market future, and competitiveness is an important measure in revitalizing Tianjin's industries. We must conscientiously research the law on the development of name-brand products; must expand the power in product structure adjustment; must organize cooperating systems; and

must implement preferential policies to allow the existing name-brand products to rapidly create an economic scale, while vigorously nurturing and developing new name-brand products simultaneously. During the Ninth Five-Year Plan, we must gradually create a group of name-brand products with annual sales income of several billion yuan, or tens of billions of yuan or higher, in order to spur on the development of a group of related products.

12. We should establish a group of major business conglomerates. With name-brand products as the lead, and with capital as the link, we should combine and spur on a group of comprehensive businesses and guide the formation and strengthening of a group of large, high-standard, and powerful major business conglomerates. By the end of this century, there should be more businesses entering the nation's frontline. At the same time, we should bring into play Tianjin's comprehensive advantageous qualities and should encourage and attract cross-regional, international major business conglomerates to establish headquarters in Tianjin.

13. We should concentrate efforts to accomplish major construction. Surrounding the efforts of developing pillar industries, brand-name products, and major business conglomerates, we should plan and construct a group of major items to strengthen the stamina of development. New construction items, including newly introduced items, must concentrate on raising the technological starting point and economic benefits in order to have an effect of spurring on related industries and products. We should increase the force of technological conversion, uncover existing industrial potential, raise the standard of high-technology facilities, and create an important force in continuing the economic development. In items for construction, we should fully promote the corporate responsibility system and the system of tenders and public bidding in order to bring market competition into the realm of investments. We should raise construction funds through different avenues and methods; should improve investment structures; should insist on supporting quality and strength; and should conscientiously raise capital returns. While accomplishing industrial goals, we should vigorously accomplish the major construction items in agriculture, the tertiary industries, urban construction, the people's livelihood, and social development.

14. We should vigorously develop and strengthen the construction industry. We should focus on the construction of rural residential areas and public facilities, and should fully develop new construction materials and products. We should accelerate the process of industrializing construction, and should gradually develop the construction industry into a modern industry with tech-

nologically advanced facilities, a flexible administration, abundant power, and high economic benefit.

IV. Construct the Northern Center for Finance and Commerce

15. We should work hard to bring into play the distribution and service functions of the central city. Using the developmental experiences of international cities as a reference, and with constructing a northern financial and commercial center as the goal, we should forcefully develop the tertiary industry and make strategic adjustments to the functions of Tianjin Municipality. We should further establish and perfect the commodities market and the market for essential elements of production; should accelerate the construction of a central commercial district and a group of business districts with their own characteristics; should organize large commercial conglomerates; and should make Tianjin a transaction and distribution hub for commodities, funds, technology, human resources, and information.

16. We should forcefully develop the tertiary industries. On the foundation of continued development in the traditional industries of commerce, finance, insurance, and living services, we should vigorously develop the new vital industries of tourism, communications, information, real estate, technological services, legal services, and accounting services. We should improve intermediary services such as asset evaluation, business representation, industrial coordination, etc. We must not lose the opportunity to nurture and develop the information industry and its market; must accelerate the process of making economic information available; and must gradually make the information industry a new pillar in the development of the economy in our municipality. We must reform the administrative system, strengthen the guidance of policy, gradually raise the importance of investment, and bring into full play the enthusiasm of all sectors of society to invigorate the tertiary industries.

17. We should accelerate the construction of the market system. According to the principles of unified opening up and orderly competition, we should unify planning and establish a rationally distributed system in order to continue to develop and perfect the construction of the market system. During the Ninth Five-Year Plan period, we must prioritize and accomplish the construction of markets on the national and regional level. We must continue to develop a group of retail markets for capital goods, consumer goods, and agricultural by-products; we must also continue to develop markets for the exchange of essential elements of production such as land, labor, technology, information, and property rights in order to make Tianjin an important national center for

the exchange and distribution of goods and the essential elements of production. We should combine establishing markets with spurring on the development of production and business; should vigorously develop a distribution and delivery center; and should directly supply goods from production to demand. Through distributors, chain stores, joint management, and sales, we should gradually form a new style of industry-commerce relationship and raise the scale of efficiency. We should strengthen the market administration according to the law, regulate market behavior, and ensure the healthy and orderly operation of the market.

We should strive for the increased exhibition and sale of consumer and capital goods on the national or regional level; should organize fairs in Tianjin for placing product orders; should organize an annual national spring merchandise trade fair; and should strive to make Tianjin's Export Product Trade Fair into a regular international exhibition and trade fair. Through quality service, complete facilities, and healthy regulations, we should make Tianjin an important commodity exchange center in northern China and an international commercial and trade center.

18. We should vigorously promote the construction of a financial center. We should further develop diverse financial institutions and accelerate the construction of a financial market for capital, foreign currency, stock, insurance, gold, futures, etc. We should perfect a unified futures trading venue; strive to establish a standard Tianjin stock exchange and an off-shore financial market; strive to establish national or regional financial companies and banks; continue to attract investments to Tianjin from national financial management institutions and foreign financial institutions in order to establish exclusively-invested or joint financial entities; and gradually actualize the modernization of the financial operations in order to make Tianjin a northern financial center with a stronger financial and funding capability, and organically linked to the national financial market.

19. We should concentrate efforts to accelerate the establishment of a central financial district. We should fully utilize the advantages of our municipality's location in a traditional commercially- and financially-prosperous district, and, drawing from the methods of modern international cities and through reform and expansion, should build a new group of new businesses and service facilities; we should also establish a central business district that pools together multitudes of functions such as financial, commercial, information, and intermediary services. Planning must be accomplished in the near future and must be promoted step-by-step so as to establish the basic structure for a central business district by the end of the century.

V. Strengthen the Agricultural Industry and Bring About a Prosperous Economy in Rural Areas

20. We should accelerate the steps to modernize rural areas. We should continue to live up to the guidelines of urban and rural areas developing together as one, serving the cities and bringing prosperity to the agricultural workers; should be steadfast in suburban and export-oriented development; should solidify the party's basic policies in rural areas; should continue to perfect the system of responsibilities, focusing on family-based and output-related contracts, and fully combine the system of a two-layered administrative system; should deepen rural reform; should strengthen the revitalization of agriculture through technology and education; should promptly adjust the internal structure of the agricultural industry; should establish a system of increasing the method of investing in the agricultural industry; and should accelerate the process of industrialization of agriculture. We should vigorously develop high-yield, high-quality, and high-efficiency agriculture as well as ecotype agriculture; should further accomplish the construction of the "vegetable basket"; and should continue to strongly develop village and town businesses. We should conscientiously develop the system of socialized services in rural areas. During the Ninth Five-Year Plan period, we should greatly increase the comprehensive agricultural production abilities, the rural economy, and the income of agricultural workers. By 2010, the rural areas of our municipality must realize the basic modernization of the agricultural industry, bringing the rural economy and the lives of agricultural workers to a new level.

21. Grain production must reach a new milestone. We should protect arable land according to law, reform low- and middle-yield farmland, accelerate the development of uncultivated land, and develop a moderate administration of land. We should strengthen the construction of basic agricultural facilities, focusing on farmland irrigation. We should prevalently apply advanced agricultural technology, further raising the standards in the quality of seedings, the replanting index, and the level of yield per unit. During the Ninth Five-Year Plan period, grain production abilities should increase to 2.25 billion kg from a foundation of 2 billion kg, a higher stage, and should reach another stage within the first five years of the next century.

22. We should accomplish the "vegetable basket" project. According to the needs of developing a socialist market economy, we should continue to accomplish the construction of a base for the production of non-staple foods; should raise the standards of specialized production; should adjust the structure of variety, and should develop specialties. We should establish a base

for emergency goods in order to stabilize the supply to the cities; should strengthen the construction of a market for agricultural by-products; should strengthen service capabilities; should raise the standards of consumer goods; and should continue to maintain the lead in the nation to construct the "vegetable basket" project.

23. We should accomplish the second pioneering project of township enterprises. We should continue to establish the development of township enterprises as a strategic focus. The township enterprises should accelerate the shift in the growth mode from the extensive mode to the intensive mode, conscientiously raise production technology and product standards, and raise the overall quality. We should focus on scaled-efficiency, accelerate the export-oriented development, coordinate and cooperate closely with urban industries, bring into play greater effects in the economic development of the entire city.

24. We should vigorously promote the construction of comfortable lives in villages and small cities and towns. On the foundation of conscientiously developing rural productive forces, increasing the income of agricultural workers, and raising the quality of culture among agricultural workers, we should strive to realize basic standards of comfortable living in rural areas of this municipality by 1997. During the Ninth Five-Year Plan period, we should strive to double the average per capita income of agricultural workers. We should vigorously develop the tertiary industries such as transportation and communications, the flow of commodities, and socialized services in rural areas, guide the designation of areas with an optimal concentration of township enterprises, accelerate the construction of basic facilities such as water, electricity, roads, and communications, and make the strides in constructing small cities and towns in rural areas. At the end of this century, we should establish more than 30 modernized small cities and towns.

VI. Accomplish Urban Planning and Construction at a High Standard

25. According to the demands of a big modernized city, we should accomplish urban planning and construction. The overall planning of the city must be based on the character, position and function of Tianjin city, and must fully reflect qualities which benefit the long-term economic development, social progress, environmental protection, and raising the people's quality of life. Urban construction should be rationally initiated according to the comprehensive planning. We should strengthen macro-control, accelerate strides in construction, strive to establish Tianjin as a rationally planned, completely facilitated, environmentally beautiful, and economically

prosperous international port metropolis with a modern architectural image.

26. We should accelerate the construction of basic urban facilities. We should take different avenues and methods such as attracting foreign funds, government investment and amassing public capital to promote the high-standard, forward thinking, large-scale construction of basic urban facilities, create a complete system of basic urban facilities. We should accelerate the harbor construction, expand the container transportation capabilities, establish specific docks for coal, petroleum, etc., open up deep-water canals, construct deep-water berths, accomplish the projects to set up a distribution harbor, and strive to establish Tianjin as an international trading port with advanced facilities and complete capabilities, leading in efficiency, and with a capacity of 100 million tonnes. We should expand and improve the railroad hub, raise the capability of the hub as a destination and connection. We should continue to accomplish the construction of airport facilities, initiate more international and domestic air routes, establish Tianjin International Airport as a modernized international air traffic and cargo base. With "three ring roads and 14 radiating lines" as a framework, we should build and reconstruct a group of roads and bridges to establish a transportation network with more complete and convenient capabilities. We should establish a modern network with advanced transmission methods, and capabilities such as voice, data, image, computing and multi-media communications. We should accelerate the basic construction for electrical power, water supply and drainage, heat supply, and gas supply. We should strengthen urban administration and create a beneficial circulation of construction, maintenance and administration. We should raise the city's capability to reduce and prevent disasters.

27. We should make an effort to accomplish the transformation of old city districts. According to the principle of combining urban transformation with economic development and the combination of immediate and long-term goals, we should accelerate the rebuilding of residences, roads, business areas and other facilities in old city districts. We should be attentive to preserving the historical image of the architecture. We should expand the area of urban greening and beautify the scenic areas along Hai He. We should gradually shift polluting and noisy industries and businesses with large transportation volumes away from the city center. At the end of this century, the basic renovation of dangerous housing should be completed. By the year 2010, a Tianjin with outstanding unique qualities, an easy and convenient lifestyle, and a modernized, high-standard urban skyline will emerge, making fundamental changes to the entire city scope.

VII. Accelerate the Implementation of the Strategy To Revitalize the City Through Science and Technology

28. We should promote technological advancement with full force. We should fully implement the idea that science and technology are primary productive forces, further strengthen the technological awareness of the people in the municipality, bring into full play the leadership effects and the widespread, far-reaching effects of technology. By the year 2000, the contributions of technological advancement to economic growth in the municipality should be raised significantly. We should strive to raise the technological standards of priority industries to the level of the world's developed nations at the end of the 1980's, with some superior areas reaching the level of the early nineties, and high technology in select areas catching up with the level of world technological development. We should continue to deepen the reform of technological systems, promote the close integration of research, development, production and market forces, gradually establish a new type of technological system and operational mechanism which is suitable for the development of a socialist market economy; create a structurally superior, rationally planned, capable and highly efficient modern technological research and development system; a system of innovative industrial technology that is self-motivated in development and capable in design; a high-tech, high-efficiency, low-consumption, and low-pollution production system; and an open, flexible, complete technological service system. We should strengthen new technological development, accelerate the application of technological results in consumer products and the production process, and encourage the domestic production of imported technology. We should prioritize research and development in six high-technological areas including electronic information, biological technology, advanced production technology, new materials, new energy sources, and environmental protection technology. We should nurture new and high technology and its production, and create a group of pillar industries and leading industries for building Tianjin's new industrial advantage in the 21st century. We should vigorously restructure traditional industries with new and high technology. We should arrange for the application of basic research and strengthen technological preparedness. We should realistically accomplish the work to make technology widely available and initiate technological cooperation activities among workers.

In building new technology industrial parks, we should accelerate construction of the Huayuan industrial district, policy district and the new technological industrial districts along the Beijing- Tianjin-Tanggu High-

way, including the construction of the Wuqing Development District, Beichen Technological Industrial Park, and Tanggu Oceanic Technology Industrial Park. We should accelerate the commercialization, industrialization, and internationalization of new high-tech results, and establish the parks into the first-rate national high-tech production base.

29. We should realistically put education at a priority position for development. In order to revitalize technology and bring about a prosperous economy, we must insist on education as a foundation. In developing education, the emphasis should be given on reform, on adjustment, on raising the standards in order to make Tianjin a leading city in education. We should consolidate the development of compulsory education, make high school education universal, forcefully develop professional education and adult education, further accomplish higher education, establish rationally structured education system that meets the needs of the reform, opening and modernization efforts in our municipality. We should continue to support Tianjin University, Nankai University and one or two other top municipal universities to enter the "211 project." We should accelerate the strides in reforming the educational system, vigorously search for a suitable structure and style for running schools which is compatible with the socialist market economic system, gradually create a new system which combines mainly government-run schools with the participation from all areas of society. We should further perfect the educational system, raise the quality of education, increase the investment in education, improve the conditions for running schools, and raise the efficiency of running schools. We should strengthen the construction of the ranks of teachers, and promote the overall development of the students.

30. We should work to create a beneficial environment where people of talent can come out in large numbers, and the best possible use can be made of each person. Talent is the key to implementing the strategy of revitalizing the city through technology and education. The municipality should create an atmosphere of having respect for knowledge and respect for talent, and create a structure and a system which are beneficial to turning out talents, reasonably using talents, and widely attracting superior talents at home and abroad. We should further universalize and realistically initiate study and training activities. We should conscientiously implement the "cross-century talent project," utilize diverse paths and methods to nurture a group of politically-good, pioneering-spirited, highly professional leadership talents, management and administration talents, talents proficient in exports, and nurture a group of leaders in education and technology.

VIII. Continue To Deepen the Reform of the Economic System

31. According to the demands of establishing and perfecting a socialist market economy, we should make efforts to accomplish the reform of state-owned enterprises. With establishing a modern enterprise system as a goal, we should combine the reform, reorganization, restructuring, and strengthened administration of state-owned enterprises and establish a micro foundation for improving the production structure and high-efficiency economic operations. By the year 1998, we should first make initial steps toward establishing a modernized business system in the large- and medium-sized backbone state-owned enterprises, to be further consolidated and perfected in the last two years of the Ninth Five-Year Plan period. To perfect state-owned enterprises, we must wholeheartedly and fully rely on the working class, we must make efforts to renovate regulations, administration, products and efficiency and build up leading bodies, to raise the overall quality of businesses.

With an eye on improving the entire state-owned economy, and through the reorganization and flow of reserve assets, we should implement the strategic organization changes in state-owned enterprises. With market and industrial policies as a guide, we should improve large enterprises, liberate small ones, strategically combine the improvement of the structures of state-owned assets distribution and of enterprise organization with the improvement of the investment pattern, select the superior aspects and support the strong points, get rid of the bad, and create a system for mergers, bankruptcy, personnel reduction and efficiency increase to prevent the waste of state-owned assets. We should take effective measures to resolve the excessive debts incurred by state-owned enterprises, and increase their capital funds through different venues. We should conscientiously accomplish the work to divert enterprises' redundant personnel to other lines of business and to separate businesses from their functions to support social undertakings in order to realistically reduce the burdens of businesses. We must improve a group of big businesses and business groups and bring into full play their key function in the economy. Small state-owned enterprises should be categorized according to their specific situations to be either reorganized, merged, changed into stock-holding partnership enterprises, rented, managed under contract, or sold, to accelerate the strides for reform and reorganization, and to further invigorate them.

32. We should establish and improve the social security system. According to the demands for unifying policy and socializing administration, we should vigorously create conditions and quickly establish and improve a multilateral social security system. During the period

of the Ninth Five-Year Plan, social security systems with a focus on pensions, unemployment, and medical insurance should be basically established. The basic insurance of every employee in government institutions, business units, and towns and cities should all be entered into the unified budget. We should develop social insurance in rural areas. We should develop and improve all types of social undertakings including social relief, social welfare, veteran benefits and social mutual aid, social services, etc. We should effectively protect the legal rights of special social groups such as women, children, the elderly, and the handicapped. We should further put into order the administrative system for social insurance, establish a unified social security administrative body, social insurance management and funding body, and social security supervisory body. We should gradually establish an individual income distribution system which prioritizes efficiency while still being fair, with distribution according to labor as the mainstay, and which incorporates multiple distribution methods. We should deepen the reform of the housing system, and accelerate residential commercialization with market adjustment as a principle and social security as a supplement.

33. We should change the functions of government, and strengthen the macro-control capabilities. According to the principle of separation of government and business, and the principle of simplifying structures and promoting unity and efficiency, we should accomplish the reform of all levels of administrative institutions and business units. The government's economic administration function must be realistically converted to establishing and implementing the macro-control policy, to accomplishing the construction of basic facilities, and to creating an environment which is beneficial to economic development. We should gradually turn over the functions not to be operated by the government to businesses, the market, and social intermediary organizations. We should establish the state-owned assets management system with clear powers and responsibilities, and strengthen the supervision and administration of all categories of state-owned assets management bodies. According to the central authority's demands for strengthening and improving macro-control, we should prioritize the suppression of inflation as the primary mission of macro-control. According to the demands of a socialist market economy, we should continue to promote reform in the systems for planning, revenue, finance, and investment. We should improve the functions of finance departments and strengthen tax collection and management. We should seriously implement financial discipline and strengthen supervision of auditing.

34. We should implement the strategy to bring prosperity to districts and counties and bring into full play the functions of each district and county. Bringing prosperity to districts and counties is a strategic measure of Tianjin. The main demand is to bring into full play the enthusiasm of each area and decontrol and revitalize districts and counties by giving them rights, responsibilities and benefits to enable districts and counties to have initiative in regional developing, and contribute more to accelerating the development of the entire municipality. The system of two levels of governments and two levels of administration on the municipal level and the district and county level must be perfected, and we should clarify their responsibility and bring their relationship into better balance. All comprehensive departments should shift functions, delegate rights to lower departments, reduce obstacles, actively perform services to support the development of districts and counties. While establishing the Ninth Five-Year Plan and long-term targets for the year 2010, each district and county must focus on bringing prosperity to the district and county while establishing a target, research measures, bring advantages into play, and show its own talents, with a view to creating an economic region with strength and unique qualities.

35. We should insist on the predominant position of public ownership and encourage the simultaneous development of various ownerships. We should bring into full play the guiding capabilities of the state-owned economy, fully develop the urban and rural collective economy, maintain the dominant position of the state-owned economy in the important departments and key domains of the national economy, maintain the superiority of state-owned and collective-owned assets. We should vigorously encourage and guide the development of the non-public economies including individual, private, and foreign-invested economies. We should be attentive to the investigation and solution of new situations and new problems that arise in the process of economic development, strengthen leadership, improve policies, strengthen services, and create conditions for all categories of economic ownership to equally participate in the market competition.

IX. Further Expand Outward and Inward Opening

36. We should raise the utilization of foreign capital to a new level. We should construct with full force an internationalized investment environment, amplify regional foreign economic laws, improve auxiliary policies to encourage foreign investment, strengthen service attitudes, raise work efficiency, strengthen publicity to the outside world, and strive to accomplish the construction of facilities. We should gradually implement the national

status for foreign invested businesses. The ideology of utilizing foreign capital must be changed, and the level, standard and efficiency of using foreign capital should be raised. On the foundation of broadly attracting businesses and investments, we should focus on large companies, large conglomerates and big items with impetus. We should accomplish the supporting work of Chinese investments. We must broaden the areas for utilizing foreign capital, implement diverse methods for bringing in and encouraging foreign businesses to invest in high-technology industry, basic facilities, tertiary industries, etc. We should accelerate strides to develop and construct the 12 small developmental districts.

37. We should strive to expand external trade. According to the demands for succeeding through quality and for market diversification, we should accelerate the reform of the external economic relations and trade system, vigorously adjust the structure of export goods, nurture pillar businesses and products for export, raise the proportions of the export of finely processed and finished goods, expand electronic and machinery product exports and technology exports, and continue to increase the competitiveness of Tianjin-made products in the international marketplace. We should implement the diversification of foreign trade administrative bodies, expand the import and export rights of businesses, nurture the points of growth in external trade and export, and establish all types of import and export businesses as major foreign trade administrative bodies exercising fair competition. We should implement the combination of external and internal trade, the combination of trade, industry, agriculture and technology, and the combination of export-oriented goods and import substitutes. Strides must be accelerated to change the administrative system of state-owned external trade businesses. They should reduce the administrative costs, prioritize operation efficiency, and move toward conglomeration, industrialization and internationalization. We should bring into full play Tianjin's advantages of having a coastal harbor, provide superior service to our municipality and other provinces and cities for the development of export trade and international entrepot trade. We should further expand external economic and technological exchange and cooperation, strengthen the cross-strait economic relationship. We should rationally develop tourism resources, vigorously develop the tourism economy.

38. We should expand the force of inward opening. Standing by the principle of mutual support, diversification, mutual benefit, and simultaneous development, we should make efforts to broaden the domain of economic association and cooperation with other provinces and cities. Through services, we should promote unity and, through association, we should seek development.

We should strengthen the economic association and cooperation in the Bohai Sea region, accelerate the two-way traffic of essential production factors, promote the development of the regional economy. Services for Beijing and Hebei Provinces should be improved in all aspects to accelerate the strides for Beijing-Tianjin-Hebei unified development. We should select a point of entry and accomplish material progress in the cooperation of harbor, bonded area, finances and production industries. The expansion of inward opening is the common mission of all districts and departments in the municipality, and we must make major breakthroughs, open up avenues, increase the strength of attracting domestic businesses and capital in order to make the utilization of domestic capital an integral part of accelerating development in the municipality.

The Tianjin representative offices of the central authorities and of other provinces and cities are an important source of power for the economic development of our municipality. All related departments should actively handle coordination and services well, bringing into full play the advantages and functions of each of the Tianjin representative offices, and, together, make an active contribution to accelerating the modernization of Tianjin.

39. We should accelerate the construction of the Tianjin new coastal district. According to the demands of basically establishing the Tianjin new coastal district within 10 years, the GDP and export figures of the new coastal district must make up 40 percent of the total municipal figures by the beginning of the next century. The economic and technology development district must insist on using foreign capital as a mainstay, with developing new and high-technology as a focus, bring out the unique characteristics of an export-oriented, modernized industry, complete the development and construction of planned areas by the end of this century, and become an important base for spurring on the rapid take-off of the economy in the new coastal districts. The bonded area should gradually establish a free trade district with international trade, international finances, bonded warehousing, and processing as a focus, and, by the end of this century, complete the mission of development and construction, with a view to becoming the largest international entrepot trade base in northern China. Tianjin Harbor must strengthen service capabilities to become an international port connecting the Eurasian continental bridge, and connecting land and air transport. We should accelerate the development and construction of the harbor-side industrial district. In establishing the new coastal district, we must also do overall planning, accelerate the construction of basic facilities, and vigorously develop trade and banking industries, modern

heavy chemical industries, marine high-technology production industries and tourism industries.

X. Promote the Overall Progress of Society With Full Force

40. We should put spiritual civilization at a more prominent position. To construct a high-level socialist spiritual civilization is an important goal of establishing socialism with Chinese characteristics, and is an important guarantee to reform, opening and socialist modernization. A force of public opinion, concept on values, moral standards and cultural conditions that are beneficial to reform, opening, and the healthy development of socialist modernization must be formed in order to build a good environment for spiritual civilization. The basic mission of building a spiritual civilization is: to foster socialist citizens who have lofty ideals and moral characters and who are better educated and self-disciplined to raise the ideological and moral quality and the scientific and cultural quality of the people. We must also succeed especially in raising the quality of youths. The leadership over building a spiritual civilization must be further strengthened in order to study and establish the Ninth Five-Year Plan for the building of spiritual civilization in our municipality. We must persist in arming the party and educating the cadres and the people with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. We should continue to persist in carrying out education on patriotism, collectivism, socialism; carry out education on China's modern history and on the superior traditions of the Chinese people; strengthen education on professional morals, social ethics, and family moral ethics; and establish a correct world view, life philosophy, and concept on value. We should foster the ethical values of love for the motherland, love for the people, love for work, love for science, and love for socialism. We should broadly and deeply develop the activities to build a civilized city and to be civilized citizens, and carry out emulating activities. We should strongly promote the spirit of hard work and initiative, promote scientific, civilized and healthy ways of living. We should strengthen and improve ideological and political work. We should strengthen research on social sciences, especially the study of important problems of strengthening cross-century economic and social progress and of reform and opening.

41. We should further promote prosperity in cultural undertakings. We should persist in the direction of "serving the people, serving socialism" and in the guidelines of "letting a hundred flowers blossom and a hundred schools of thought contend," propagate the main melody, promote diversity, provide Tianjin with

the cultural atmosphere and cultural level of a modern major international city. We should carefully organize the implementation of the project to create good books, good plays, outstanding dramas, outstanding movies, and convincing articles with original ideas, and strive to create several effective choice products and a group of superior works each year. We should accelerate the reform of the cultural structure and strongly develop cultural undertakings. We should vigorously support refined art, propagate the culture of the nationalities, and promote the development of cultural activities for the masses. We should broaden cultural exchanges with the outside world, absorb the superior cultural products of the world. We should build a group of modern cultural facilities. We should strengthen the work in the fields of news, publication, radio, television and film, etc. We should nurture a group of writers, artists, literary and art theorists, famous editors, famous journalists, and famous program hosts with national influence. We should persist in simultaneously attending to prosperity and to administration and succeed in both to promote the healthy development of the cultural market.

42. We should continue to improve the environmental quality of urban and rural areas. We should persist in the simultaneous planning, implementation and development of economic construction, urban and rural construction, and environmental construction, in order to gradually form and maintain a good urban and rural image. We should highly prioritize the work of environmental protection, include the urban and rural construction of environmental facilities and ecological protection projects in the overall development plan. We should strengthen administration, increase involvement, emphasize the accomplishment of comprehensive environmental reparation and industrial pollution prevention, continue to raise the standards of purifying, greening and beautifying urban and rural areas. We should focus on bringing the environmental protection and environmental maintenance index to a leading national standard.

43. We should strive to raise the people's living quality and standards. Together with the economic development, we should increase the income of urban and rural people by every possible means, achieving one of the highest average incomes in the nation by the end of the century. We should further broaden the avenues for employment, prioritize and accomplish the "reemployment project." We should accelerate residential construction to make obvious improvements in the citizen's housing conditions. We should continue to raise the standards of urban heating and gas facilities. We should develop the public transportation industry. We should steadfastly persist in implementing the basic national policy of planned births, concretely control the pop-

ulation growth, and raise the population quality. We should improve the medical treatment, prevention, and health care system, improve medical treatment conditions, raise the service quality of medical treatment. We should conscientiously implement the health plan for all the people and broadly promote mass sports activities to continue to strengthen the people's health. We should accelerate the construction of sports facilities and nurture and select a group of superior coaches and top athletes to raise the standards of competition.

44. We should vigorously promote the building of socialist democracy and the legal system. According to the needs of the economic system reform and economic development, we should steadily promote reform in the political structure. We should persist in and improve the people's congress system and the system of multi-party cooperation and political consultation under the communist party leadership and consolidate and develop a broad patriotic united front. We should further promote the bridging and connection functions of mass organizations including trade unions, the Communist Youth League, the women's federation, etc. We should strengthen national defense education. We should strengthen the Army-civilian unity and the Army-government unity, promote the double-support work. We should intensify the research and consultation on policy decisions and promote the democratic and scientific process in major policy decisions. We should conscientiously implement the party's policies concerning the nationalities, religion and nationals living abroad. We should strengthen the construction of grass-roots political power, develop grass-roots democracy, and realistically guarantee the democratic rights of the masses. We should attach great importance to the construction of the legal system, strengthen the regional legislative work, and strengthen and improve the supervision of judicial, administrative and law enforcement procedures. We should develop in-depth education on the legal system, strengthen the legal awareness and legal attitudes of the cadres and the masses. We should highly prioritize and conscientiously accomplish the work for stability to create a beneficial political and social environment for economic development. We should crack down on and severely punish criminal violations and severe economic crimes according to the law, persist in eliminating all types of ugly phenomena in society, strengthen the comprehensive management of public security in order to maintain Tianjin's position of being the best in the nation as far as public security and social order are concerned.

We should continue to persist in improving party style and administrative honesty, and initiate the anticorruption battle deeply and continually. We should persist in

the unified leadership of party committees and the combined efforts of party and government organs. Leading cadres should make themselves an example of honesty and self-discipline. We should severely investigate and handle cases of violation of discipline or law and punish corrupt elements. We should establish and perfect a system of supervision to prevent misuse of power among cadres, persist in correcting aberrant trends in departments and businesses, promote the improvement of the general mood of society through superior party and administrative styles. We should strive to make our municipality one of the best in the nation in party style, social conduct, and business attitudes.

45. We should strengthen and improve party leadership. The CPC is the core of leadership in the magnificent project of building socialism with Chinese characteristics. The key to accelerating the steps of reform and construction to accomplish the cross-century historical mission is to further strengthen and improve party leadership. According to the final goals, demands and overall orders of party building, we should realistically upgrade the party's level in ideology, organization and work styles and continue to raise the standards of leadership and policy implementation. We should bring into

full play the function of the party's organization as a powerful fighting force, the function of the party members as vanguards and models, and the function of leading cadres as examples and leaders. The improvement of leading cadres should be especially treated as keys to strengthening party building. Leading cadres must stress politics, persist in principles on major issues, distinguish right from wrong, remain clear-headed and resolved from beginning to end. All levels of party committees and governments must conscientiously organize and establish individual development plans according to the demands of this "proposal," and realistically guarantee their smooth implementation.

All communist party members and the citizens of the municipality must unite even more closely under the leadership of the party Central Committee with Comrade Jiang Zemin as a core. They should persist in Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, further emancipate their minds, open up the way forward, work with the same heart and the same mind, work hard and pioneer, and strive to successfully realize our municipality's Ninth Five-Year Plan and long-term goals for the year 2010!

PRC: Taiwan Compatriots Mark 28 Feb Uprising Anniversary

OW2802145296 Beijing XINHUA Domestic Service
in Chinese 1307 GMT 28 Feb 96

[By RENMIN RIBAO reporter Yao Xiaomin (1202 1420 2404), and XINHUA reporter Wan Hongqiang (8001 4767 1730)]

[FBIS Translated Text] Beijing, 28 Feb (XINHUA) — The Taiwan Democratic Self-Government League [TDSGL] Central Committee, the All-China Federation of Taiwan Compatriots [ACFTC], and the Association for Relations Across the Taiwan Strait [ARATS] sponsored a forum in Beijing today to mark the 49th anniversary of Taiwan's "28 February Uprising." Present at the forum were veteran comrades who took part in the uprising, Taiwan compatriots in Beijing, and persons in charge of relevant departments, totalling more than 100 people.

Addressing the forum, ACFTC President Zhang Kehui said: Marking the "28 February Uprising" has important immediate significance. Forty-nine years ago today, the people of Taiwan, for the sake of democracy and local autonomy, rose up to resist the Kuomintang [KMT] reactionary regime's fascist rule, but they were brutally suppressed by the KMT reactionary regime. The Taiwan people's great struggle for democracy and survival demonstrated their patriotism. When we commemorate the uprising, we must carry forward their patriotism, uphold the one-China policy, and oppose separation.

TDSGL Central Committee Chairman Cai Zimin said: When we commemorate the 49th anniversary of the "28 February Uprising" and remember the patriotic and democratic spirit demonstrated in the uprising, we must firmly oppose all the separatist activities of the Taiwan authorities, oppose "Taiwan independence," uphold the one-China principle, and promote the development of cross-strait relations. Speaking as a historical witness, Cai Zimin said: After the "28 February Uprising," some people twisted historical facts and tried to pretty up the "Taiwan independence" proposal. As an uprising participant, I must solemnly testify here that the "28 February Uprising" had absolutely nothing to do with "Taiwan independence." The proposal for "Taiwan independence" has no popular support in Taiwan.

In his speech, ARATS Executive Vice Chairman Tang Shubei said: Looking back history and recalling the exploits of the "28 February Uprising" participants, it is of great importance for us to promote the patriotism of Taiwan compatriots and to ponder together with them the development of cross-strait relations. He pointed out: The government and people of the motherland

on the mainland have always supported, and shown sympathy with the struggle against Taiwan authorities for democratic rights by the Taiwan compatriots. We have time and again pledged "to fully respect the Taiwan compatriots' way of life and their aspiration to be the masters of governing Taiwan as well as to protect the Taiwan compatriots' legitimate rights and interests." "The Taiwan compatriots' aspiration to be the masters of governing Taiwan is fair, reasonable, and legitimate; and it is different from the 'independence of Taiwan' and, still more, is fundamentally different from a handful of people who insist on taking the road of the 'independence of Taiwan'." We fully respect the way of exerting democratic rights chosen by the Taiwan compatriots. Meanwhile, we are firmly opposed to the way in which some leaders of the Taiwan authorities have taken advantage of the democratic demands and aspirations of the Taiwan people and have used "democratization" as a pretext to serve their political attempts of creating "two Chinas", or "one China, one Taiwan," and the "independence of Taiwan." We believe that the Taiwan compatriots at large can certainly see through and will resolutely resist such treacherous political fraud and schemes.

In his speech, Jiang Dianming, director of the Taiwan Studies Institute of the Academy of Social Sciences, said that to achieve the goal of separating Taiwan from the motherland, while creating various "Taiwan independence" theories and reasons in recent years, some "Taiwan independence" elements have also tried to make use of the 28 February incident. They have ignored the historical truth of the incident and have distorted the struggle, which opposed oppression, fought for democracy, and fought for self-government, to serve their construction of the "Taiwan national theory" and the embodiment of "the sense of Taiwan independence." Jiang Dianming pointed out that the spearhead of the Taiwan compatriots' struggle against violent suppression, like the people's revolutionary struggle unfolding on the motherland's mainland at that time, was pointed at the decadent reactionary Kuomintang regime and the "28 February Uprising" was precisely a part of the great struggle of the people of the whole country. The "Taiwan independence" elements will never succeed in attempting to make Taiwan compatriots forget they are descendants of the Chinese nation and to extricate the Chinese heart from the from the Taiwan compatriots. Their attempt to use the 28 February incident to serve their scheme of separating the motherland is also futile.

Zhuang Fenggan, vice chairman of the China Association for Science and Technology, and Zhao Di, vice president of the All-China Women's Federation, and others also spoke at the forum.

PRC: RENMIN RIBAO Commentary on Taiwan Uprising Cited*OW2702151396 Beijing XINHUA in English
1503 GMT 27 Feb 96*

["'People's Daily' Commentary Marks Taiwan Uprising" — XINHUA headline]

[FBIS Transcribed Text] Beijing, February 27 (XINHUA) — China's leading newspaper, the "People's Daily" (RENMIN RIBAO), marks the 49th anniversary of the "February 28 Uprising" in Taiwan in a commentary to be published tomorrow.

The commentary describes the uprising as a democratic political movement launched by the people of the island province and a historic event of major influence in Taiwan.

The intensification of contradictions between the people and the authorities in Taiwan at the time cast a shadow on the political life of Taiwan, and these contradictions still exert an influence on the political life of Taiwan today, it says.

Soon after the uprising broke out, the Communist Party of China (CPC) fairly described it as "a justified, legitimate and peaceful movement".

The commentary says: "It was because of Chiang Kai-shek's intransigence that the movement turned into an armed struggle." And "the armed struggle in self-defense staged by the Taiwan people was forced upon them. It is necessary, justified and correct", the commentary notes.

The CPC and the Chinese government have always pinned high hopes on the Taiwan people in the unremitting efforts to solve the Taiwan issue and realize the reunification of the motherland, the commentary stresses.

This principle was indicated in the speech made by President Jiang Zemin on the eve of the Spring Festival in 1995, and in a series of government's policies, regulations and measures governing the protection of the legal rights and interests of the Taiwan compatriots, it adds.

To put an early end to the state of separation between the two sides of the Taiwan Straits is the popular feeling and the general trend, it says.

However, the commentary states, certain anti-China forces in the world, who are reluctant to see the reunification and prosperity of China, support the splittist forces in Taiwan by various means with the intention of obstructing the development of relations between the two sides of the Taiwan Straits and China's reunification drive.

Some leaders of the Taiwan authorities collude with the overseas anti-China forces and engage in separatist activities in an attempt to create "two Chinas" or "one China, one Taiwan", which have led to unprecedented tension in the cross-Straits relations, directly undermined economic growth and social stability in Taiwan and seriously damaged the immediate interests of the Taiwan people, the commentary says.

In recent years Li Teng-hui's attempt to split the motherland has been fully exposed. More and more people in Taiwan have come to realize that Li's splittist activities and some people's perverse acts to assert "Taiwan independence" will only push Taiwan into a disastrous abyss, the commentary says.

To achieve an early, peaceful reunification of the motherland, the Chinese people on both sides of the Taiwan Straits must make joint efforts to fight against splittism preached by the Taiwan authorities and against the "Taiwan independence" forces, make them stop trying to create "two Chinas" and "one China, one Taiwan" and return to the "one China" principle. Only by this means can Taiwan have a bright future, it adds.

The Taiwan compatriots have a glorious history of fighting against foreign invasion, and they showed patriotic enthusiasm in the "February 28 Uprising", when they fought against the despotic and corrupt Kuomintang regime, the commentary notes.

The CPC and the Chinese government have always supported and shown sympathy with the Taiwan compatriots, it says.

"We fully respect the lifestyle of the Taiwan compatriots and their aspiration to be masters of their own affairs. We also respect their desire to exercise democratic rights and have adopted measures to protect all the Taiwan compatriots' legal rights and interests. However, we firmly oppose the attempts by certain leaders of the Taiwan authorities to create "two Chinas", "one China, one Taiwan" or "Taiwan independence" under the guise of "democratization", the commentary stresses. [quotation marks as received]

The Central Government solemnly states that a country's sovereignty belongs to all the citizens of that country, and the sovereignty of China, including that of the Taiwan, Penghu, Jinmen and Mazu regions, belongs to all the Chinese people, including the Taiwan compatriots, but definitely not to only certain persons in Taiwan. These persons must not be allowed to make any changes on the sovereignty, says the commentary.

"In the process of reunification, whoever or whichever party follows the 'one China' principle and upholds reunification and opposes 'Taiwan independence' will

have our support. Otherwise, we will firmly oppose them," says the commentary.

PRC: Commentator's Article Marks Taiwan Uprising

OW2702161496 Beijing XINHUA Domestic Service
in Chinese 1421 GMT 27 Feb 96

[FBIS Translated Text] Beijing, 27 Feb (XINHUA) — RENMIN RIBAO publishes a commentator's article entitled "Placing Hope on the Taiwan People." The full text follows:

Today is the 49th anniversary of the Taiwan people's "28 February Uprising."

Today in 1947, the Taiwan people demanded political reform to root out autocracy and corruption. But this reasonable demand of the Taiwan people was not tolerated by the Taiwan authorities. Charging them with "attempting to subvert the government, seize political power, and betray the country," the authorities cruelly cracked down on the Taiwan people, during which thousands of Taiwan compatriots shed their blood and sacrificed their lives. We express our deep condolences for the martyrs who died in the "28 February Uprising" and our heartfelt regards to their family members!

The "28 February Uprising" was a democratic political movement of the Taiwan people and a historic event of major influence in Taiwan's modern history. The intensification of contradictions between the Taiwan people and the authorities cast a dark shadow over contemporary Taiwan's political life, and so far this still bears an impact on Taiwan's political life.

Subsequent to the "28 February Uprising," the CPC made a just appraisal of this incident: "Taiwan's movement for self-government [zi zhi 5261 3112] was absolutely reasonable, legitimate, and peaceful. It was precisely Chiang Kai-shek who forced the uprising to turn into an armed struggle." "The Taiwan people were forced into armed self-defense, which was necessary, just, and correct." "The Chinese communists enthusiastically praise the Taiwan compatriots' heroic struggle and wish them glorious victory."

The CPC has always maintained that the masses of the people are the creators of history and the forces that propel history forward. With the aim of respecting, loving, and serving the people, the CPC puts the people's interests above everything else. In its unswerving efforts to resolve the Taiwan issue and bring about the great cause of reunifying the motherland, the CPC and the Chinese Government have always adhered to the policy of "placing hope on the Taiwan people." President Jiang Zemin's important speech on the eve of the Spring

Festival last year concerning the Taiwan issue gave expression to this policy, and the Chinese Government's policies and regulations on protecting Taiwan compatriots' legitimate rights and interests as well as a number of measures it has introduced also embody this policy.

Putting an end to the situation of separation between the two sides of the strait at an early date accords with the will of people and the general trend of events. However, certain international anti-China forces are not willing to see China's reunification and prosperity. They have supported in various ways the separatist forces on the island and obstructed the development of cross-strait relations and China's reunification. Certain leaders of the Taiwan authorities have colluded with foreign anti-China forces, making use of each other. They are willing to act as a pawn of foreign anti-China forces and have wantonly carried out separating activities of creating "two Chinas," and "one China, one Taiwan." This has caused the emergence of the tense situation in cross-strait relations, which has not occurred for many years, has directly affected Taiwan's economic development and social stability, and has seriously damaged the vital interests of the Taiwan compatriots. In recent years, Li Teng-hui's colors of separating the motherland have been more thoroughly exposed, and more and more Taiwan compatriots have understood the separating activities of Li Teng-hui and his kind. "Taiwan independence," which goes against the historical trend, can only drag Taiwan into an abyss of disasters, and Chinese people on both sides of the strait are not willing to see this. To realize the great cause of a peaceful reunification of the motherland at an early date, the only way is for Chinese people on both sides of the strait to jointly and resolutely carry out the struggle against the words and deeds of the Taiwan authorities of separating the motherland and against the "Taiwan independence" forces in order to make the Taiwan authorities stop activities of creating "two Chinas" and "one China, one Taiwan;" really return to the "one China" principle; and take practical action to develop cross-strait relations. Only in this way can Taiwan have a bright future.

The Taiwan compatriots have a glorious patriotic tradition. In the history of beating back foreign aggressors, one stepped into the breach as another fell. They feared no bloodshed or sacrifice and wrote brilliant and magnificent chapters in history. In the "28 February Uprising" to oppose autocracy and corruption of the Kuomintang authorities, they also displayed fervent patriotic feelings. The CPC and the Chinese Government have always expressed sympathy and support for them. We show full respect for the life style of the Taiwan compatriots and their wish to be masters of their own affairs and re-

spect for Taiwan compatriots to exercise their democratic rights, and have adopted measures to protect all legitimate rights and interests of the Taiwan compatriots. However, we resolutely oppose the attempt of certain leaders of the Taiwan authorities to create "two Chinas"; "one China, one Taiwan"; and "Taiwan independence" under the pretext of the so-called "democratization." The central government has solemnly pointed out: "State sovereignty belongs to all the people of a country. The sovereignty of the whole China, including Taiwan, Penghu, Jinmen, and Mazu areas, belonging to all the Chinese people, including the Taiwan compatriots, in no way belongs to a certain portion of people in Taiwan, and will never be allowed to be changed by a certain portion of people." The people have the duty to rise with force against those who damage the fundamental interest of the Chinese people and who carry out activities of separating the motherland under the pretext of so-called "democratization," and have grounds to cast them aside.

In the course of realizing the reunification of the motherland, we support anyone and any party provided that person or party follows the one China principle, favors reunification, and opposes "Taiwan independence." Otherwise, we will resolutely struggle against that person or party. The broad masses of Taiwan compatriots, who have glorious patriotic traditions, will certainly carry forward the spirit of the "28 February Uprising," and make new contributions to the struggle of opposing separation, opposing "Taiwan independence," and promoting reunification!

PRC: Guangxi Agriculture Attracts Taiwan Investment

OW2802064096 Beijing XINHUA in English
0609 GMT 28 Feb 96

[FBIS Transcribed Text] Nanning, February 28 (XINHUA) — Agricultural development in south China's Guangxi Zhuang Autonomous Region has had a strong appeal to Taiwan investors in recent years.

More than 50 agriculture-related projects, involving a total of 30 million US dollars from Taiwan, have been built in the region.

They cover a wide range of fields including crop-growing, aquaculture and farm produce processing.

As the two areas share similar climates and geological positions, cultivation techniques imported from Taiwan can be applied in Guangxi without experiment, said a regional agricultural official.

This year, the local government has announced a series of preferential policies to encourage investors to pour funds to more areas.

Major cooperation projects include the construction of an agricultural base, popularization of imported crop and livestock strains and some processing items.

Taiwan: 'Text' of Li's News Conference Aired on Internet

OW2702111696 (Internet) Taipei Economic and Cultural Office in New York WWW in English 24 Feb 96

["Complete transcript" of news conference given by Li Teng-hui at the Office of the President on 23 February; from the "What's New" link]

[FBIS Transcribed Text] Ladies and Gentlemen, and friends in the media: Greetings! First of all, I thank you all for attending this press conference, especially the many foreign correspondents, and offer my welcome to you.

In our Chinese tradition, the Chinese New Year holiday period lasts through the Lantern Festival. Therefore, I would like to avail myself of this extraordinary opportunity to wish you a happy New Year.

This past year, the Republic of China [ROC] has achieved much in politics, the economy, culture, and defense. And in particular, 29 days from now we shall hold an election for the ROC president and vice president. This represents the beginning of a new historical era for the entire Chinese nation. For the first time in 5,000 years of Chinese history, Chinese people will be able to directly vote for their head of state. In the process of democratic development, this is genuinely of historical significance.

I am sure that, for the next four years leading up to the 21st Century, the direction in which the ROC develops and how the problems we face should be solved are of concern to everyone.

Accordingly, I am sure that, whether reviewing the past, evaluating the present, or envisioning the future, the direction for the ROC's development and my philosophy in ruling the nation must also be the focus of your concern. At this press conference today, I would be delighted to offer explanations and answer questions that concern you.

Now, I think it's time to ask Secretary-General Wu to proceed with the press conference. Thank you.

Q1: Hello, Mr. President. I am Chen Hui-mei of the Chinese Television System, and dean of the presidential office press corps. At the start of the new year, I would first like, on behalf of the entire presidential office press corps, to wish you, Mr. President, good health and success in every endeavor. (President Li replies: "Thank you.") I think that what concerns everyone is relations between Taiwan and the Chinese mainland, which have become the focus of world attention. The Peking [Beijing] regime has repeatedly voiced threats

and conducted military maneuvers, principally intended to influence our presidential election. What concerns our citizens is, for the welfare of the entire citizenry, and in order to allow our presidential election to proceed smoothly, what concrete action has our government taken to reduce tensions between the two sides of the Taiwan Straits? Thank you.

A: Thank you, Ms. Chen. Reducing tensions in the relations between Taiwan and the Chinese mainland has in fact been a goal for which we have striven continuously since the government abolished the Temporary Provisions Effective During the Period of National Mobilization for Suppression of the Communist Rebellion and drafted the Guidelines for National Unification. Nations around the world also hope that cross-straits relations can begin a period of peaceful exchange. The people on both sides of the Straits, one could say, fervently hope that both sides can end the state of enmity, create an environment of peace, and develop reciprocal, mutually beneficial, and prosperous relations. For the past six years, we have been able to demonstrate incomparable patience and stamina in using peaceful methods to complete difficult democratic reforms and safeguard the existence and development of the Republic of China. However, our efforts on behalf of the existence and development of the ROC have been branded by Peking [Beijing] as moves toward Taiwan independence. Why? Mainly because they have no reason for opposing the democratization of Taiwan and the pursuit of human rights, so they can only serve up charges that we are working for Taiwan independence or seeking to maintain de facto independence as excuses. Therefore, in the future a considerable deal of patience and goodwill will in fact be necessary to bring about an end to the state of enmity between the two sides. I am confident that, with great wisdom, incomparable courage and foresight, as well as widespread input from all sectors, we can forge a consensus among our citizens and decide upon concrete and feasible measures to make an historic contribution to the development of cross-straits peace and the stability and prosperity of the Asia-Pacific region. This is our consistent way of conducting relations between Taipei and Peking [Beijing], and we shall strive toward this objective.

Q2: Chou Mei-li of the INDEPENDENCE MORNING POST: Greetings, Mr. President. Recently, the two opposition parties have broached the idea of a "Grand Rapprochement." There have been reports circulating among members of the press that the Kuomintang may reach out to members of the opposition in forming the cabinet following the election. I should like to ask, Mr. President, if you could enlighten us about whether you will invite members of the Democratic Progressive Party

to join the cabinet if you are elected as the next term president?

A: That "if" remains an unknown at this time, but I am generally thinking along these lines. My philosophy is that it is most important for our government to be stable. We have now entered the realm of multiparty politics, and everyone is very clear about the overall situation, which could be described as never having one day of stability. What I am speaking of is just this stability, and it is most important that there be stability with multiparty politics.

Therefore, we must concentrate on "Grand Unity, Grand Development," which is most important. The "Grand Rapprochement" everyone is talking about has in fact become the result of setting sights on and divvying up political spoils. Truthfully, these are not the most important issues—pork barrel and political spoils are wrong. The issue we are concerned about is how to reach out and include talented individuals in the work of government, and how to bring about political stability, social harmony and prosperity.

In fact, we must not forget the fact that the KMT at present is the majority party, and in a multiparty system, the majority party is the ruling party. However, I feel that the policy of reaching out to include new talent in the government is what we should do. We should be concerned with achieving greater political stability, greater social harmony and greater prosperity.

As I just stated, as long as they work for our national interest, and are capable and moral people, I believe that our next Premier shall go outside the KMT for members of the cabinet. This will be no problem. I feel that in other areas besides the cabinet, we can reach out to find capable and moral individuals who can help our nation, as I just mentioned.

Hence, this issue is conceptually perhaps not quite the same as the "Grand Rapprochement" mentioned earlier.

Q3: Huang Yu-chen of the UNITED DAILY NEWS: Mr. President, relations between Taiwan and the Chinese mainland are of major concern to the public, and it is generally thought that cross-straits relations will change significantly in the wake of the upcoming presidential election. If you are chosen as the ROC's first popularly elected president, will you consider meeting with Peking [Beijing] leaders? Will you visit the mainland as the ROC's democratically elected president or publicly invite Peking [Beijing] leaders to visit Taiwan? Is now the time for leaders from both sides to sit down and talk?

A: Timing is the key issue here, as I explained when I addressed Ms. Chen's question on cross-straits relations.

Our first priority should perhaps be the establishment of a cross-straits peace agreement. This is not a problem that can be solved simply with a meeting between leaders from the two sides. Perhaps it will take time before such a meeting can occur. Whether or not the time is ripe for a meeting depends on the circumstances. The timing also changes because the political situation changes every day. We may have to wait a while before such a meeting becomes feasible; or on the other hand, it may be possible very soon. It is hard to tell. But the most important factors in determining if, and when, such a meeting will be held, are whether it is in our national interest and whether it is supported by the people. As I said in response to the first question, we must consider suggestions from all sectors domestically in order to reach a consensus. I think that, although this question involves such factors as timing and the necessity of popular support, it is not infeasible.

Q4: Hsu Shu-ching of the LIBERTY TIMES: There are frequent reports of disputes over territorial sovereignty recently in the Asia-Pacific region. The present conflict between South Korea and Japan in the past few days over isolated islands in the Sea of Japan is one example. If ROC territorial sovereignty over the islands of Taiwan, the Pescadores, Quemoy, Matsu, and those in the South China Sea were violated by outside forces, what sort of measures would you take as the ROC president and commander-in-chief of the armed forces?

A: This is an important issue, and we must understand the current state of overall ROC military readiness. I would like to particularly stress here, as often say at important places when I visit military personnel, that: "We can go one-hundred years without war, but we cannot go a day without being ready for war." This must regularly merit our concern and attention. We clearly know how to strengthen our military forces. Over the years, we have continued to strengthen our armed forces with such armaments as second-generation jet fighters and second-generation frigates. We are in the midst of carrying this out, so I have full confidence in our military, and I have no doubts about our military capabilities.

I received a number of briefings from the military in regard to recent Chinese mainland threats of using military force against Taiwan. Where the mainland's current military exercises are concerned, we have held many sand table exercises, so we are prepared for any contingency. We have prepared measures for dealing with those forces affecting our stock market and social order. We have developed appropriate measures for every situation. Let me emphasize that our military readiness is very high, and we have the situation under control. Although I can't go into details, I can tell you

that our military is fully prepared, as they have briefed me on many occasions. So I really am confident.

Q5: Chang Hwei-ying of the CHINA TIMES: Mr. President, pragmatic diplomacy, and in particular, your visit to the United States, has incited verbal attacks and military threats from mainland China. We know that the aim of diplomacy is to pursue a country's national interests, but are many ways to achieve such ends, visits by a head of state being one of them. In the face of mainland China's threats, you have said that after the election, you will continue such visits. What aims are achieved by your visits abroad that cannot be attained by other diplomatic means?

A: This question must be answered from two angles. I have read several of your recent articles, the topics of which were good. There are two aspects to be considered here, one concerns countries that maintain diplomatic relations with us, and the other concerns those that do not. This is the best way to examine this question. When the president [of the country] visits countries with which we have diplomatic relations, he represents our country, and it has a special significance, like visits to countries in Central and South America. This is much like the traditional diplomacy practiced by all ordinary nations. It has a great deal of significance, and cannot be done by others. However, when it is impossible for me to visit to a particular country, I ask the vice president to go as my proxy, as is clearly allowed by the Constitution when I cannot carry out my duties in this regard for some reason. Under such circumstances, visits to countries which have diplomatic relations with us are mostly of declarative significance, much like a courtesy call.

The second aspect concerns those countries which do not have diplomatic relations with us. Currently, there are only 31 countries which have diplomatic ties with the ROC. Naturally, the majority of the countries in the world do not. If a country with which we have no diplomatic relations invites me for a visit, what will be discussed during the visit? This is not just a courtesy call. There may be a substantive relationship between our two countries, but what is the nature of this relationship? It is economic or cultural, and probably has little to do with political aims. Therefore, when these countries invite me to visit them, I cannot send the minister of economic affairs or the minister of foreign affairs. Why? Because we have little contact with these countries. When the heads of state for the two countries can actually meet face to face, we have opportunities for exchange, to discuss difficulties on both sides, and how to help each other. I think this is very important.

When we make contacts with countries which do not have diplomatic relations with us, especially when we're invited to attend activities in these countries, we have a great deal to gain. Whether we're talking about a trip to Southeast Asia, or the Middle East, they are all of this nature. Ultimately, these visits have promoted our economic relations, investment, cultural relations, and so on. We can say that we treat them as visits to countries with which we have diplomatic relations. When I make a personal visit as president to a country which does not have diplomatic relations with us, this improves the relationship between our two countries more effectively than a solely ministerial visit could. Our visits to such countries have greatly benefited our economy, trade, and investments.

Q6: Rebecca McKinnon of the Central News Network: After you went to the United States last year, cross-straits relations became more tense and the Peking [Beijing] regime even held three separate military exercises. Did it ever occur to you that the mainland authorities might react so strongly? Do you regret having visited the USA?

A: No, I don't. This issue should be approached by, as I just said, continuing to promote development in the Republic of China. After we left the United Nations in 1971, Japan, the United States, and many other nations established diplomatic relations with the Peking [Beijing] regime. Most countries thought that the ROC probably had no hope, and would soon disappear. However, look at what we have achieved here.

Since we left the UN, we have used our own strength and willpower to develop the ROC's economy, working very hard. Many people emigrated from Taiwan, but even more stayed here to struggle through, and our perseverance produced Taiwan's economic miracle. After this economic miracle, voices in Taiwan became louder and louder, calling upon the government to undertake political reform. This is our second step. As I have just explained, in the past six years we have carried out democratization step by step. Our democratization has made the whole world take note of the Republic of China for the first time. The ROC could not have transformed into a democracy in such a short period under the old authoritarian system.

Last June I was invited to visit my alma mater in the USA. Not the State Department, Congress, or White House; just my alma mater. I toured my old school and gave a 30- or 40-minute lecture there titled "Always in My Heart." Exactly what did the 21 million ROC citizens on Taiwan want me to say at Cornell? I said it all, the main point being that the Republic of China still exists on Taiwan. In fact, in addition to developing

economically, the ROC has already entered the ranks of democratic nations. Each of these countries considers the ROC to be truly great.

In the beginning, it never occurred to me that this would bother the mainland authorities. It is likely that the US government did not think of this either. We all failed to consider it. Yet, a month after I returned home, I began to realize that the Peking [Beijing] regime was mistaken again. The reason for their mistake was quite simple. The whole world had blocked off the ROC and suppressed it so severely that it had lost its voice and could not breathe. When the ROC suddenly emerged to prove that it was still thriving, this scared the mainland authorities. They probably wondered, "If this goes on, what will the ROC become?" This was the biggest problem. I myself had never thought of it.

As I just said, the ROC needs democratization. What is "wrong" with democratization? Therefore, even though I said more than 130 times that we shall not encourage Taiwan independence, the Peking [Beijing] regime will not believe it. Later, I reflected and realized that it was exactly because I wanted to carry out the democratization of the ROC that Peking [Beijing] was afraid. What the mainland authorities fear most is our democratization and our emergence in the international community. If the ROC is merely rich, the Peking [Beijing] regime could emulate it and develop its own economy. But they dare not democratize; the mainland regime is incapable of democratization. But if I continue to travel, the whole world will come to think of the ROC as a great country.

Given these circumstances, as I often reiterate, the Peking [Beijing] regime cannot stop us, so it finds other ways to frustrate us. Now that we are holding a popular presidential and vice presidential election, it is even worse for Peking [Beijing]. The election is the first significant work of democratization in the history of China. Once the election is completed, the mainland authorities will have a hard time explaining it to the 1.2 billion people living on the mainland. These 1.2 billion Chinese will open their eyes and see that on Taiwan the people are the masters of the nation. And then they will ask why it can't be thus on the Chinese mainland. The Peking [Beijing] regime fears this influence, and wants the election to fail. Therefore, they have carried out several military exercises. After so many times, these exercises are having less and less effect.

This problem depends on how well the two sides handle cross- straits ties in the future. As I have just said, Peking [Beijing] is angry about the ROC's emergence, and we are not happy about their military exercises. Calling off overseas visits would not improve

cross- straits relations. Consequently, I believe that maintaining cross- straits stability and peace is in the best interest of the Asia- Pacific region and of the people on both sides of the Straits. How the two sides will reconcile with each other and end their confrontation is an important policy for the ninth-term ROC president to determine. I already discussed this policy at the opening of my Taipei County campaign headquarters.

Q7: Hwang Chao-ping of the CENTRAL DAILY NEWS: Mr. President, the campaign for the ninth-term presidency will formally begin tomorrow. All polls indicate that you are enjoying a relatively high degree of popular support. Yet the opposition parties have been advocating that another party or person be allowed to try governing. Mr. President, how are you going to persuade the voters over the next 28 days to vote for you so that you can carry on your presidency for another four years?

A: Simply let another party or person try governing? This would be too irresponsible. A nation needs a steadfast navigator—a random choice just would not do. What would happen to the people if this were to occur? The presidency is of tremendous importance. The Republic of China still has four years before it enters the 21st century. During these four years, our nation will be needing a steadfast navigator to make our country a modern, civilized nation. We can't just experiment. "Giving it a try" is wrong. What would we do afterward?

Mr. Hwang asked about my strategy for success: It is to go directly to the public, one on one. Convince the people to vote for me by letting them know that I am a sincere person who genuinely wishes to do things for our country. The other candidates have painted a very dark picture of me. I must let all people know that, contrary to what has been said on cable TV, I am very sincere and agreeable. By understanding my personality, people will know that I am capable of bringing Taiwan stability and prosperity, and thus believe that I am reliable. This is similar to the way that, before handing their daughter over to him, the parents of prospective bride first evaluate whether a would-be son-in-law is reliable. We will convince each person, one-on-one, that I have what it takes. This is the best way. I don't need to point out what I have done for the Republic of China over the past six years: you know already. Allowing our voters to have a better understanding of this is our strategy for success.

Q8: Liao Chih-cheng of the MIN CHUNG DAILY NEWS: I would like to ask you Mr. President about when the ruling party studied the presidential election procedure. You played a key role at the crucial moment

in arranging for the direct election by popular vote instead of the planned indirect election by delegated representation. As the presidential campaign officially begins tomorrow and you are one of the candidates, what is your feeling now? And what was the mental process by which you decided that president should be elected directly by popular vote?

A: At the time, in most discussions, both the direct popular election and indirect representational election of the president were considered. But, from what I understand, the percentage in favor of direct presidential election was relatively high, at over 40 percent. There were those who favored indirect election by delegated representation, but they constituted a smaller percentage. The Constitutional Reform Committee then was established within the National Assembly to promote constitutional reform. The two plans were brought up to the committee for examination of their merits and defects, their potential problems and what most needed to be dealt with. Both plans underwent review at the same time. Now that the process is over, I can say honestly that study of the plan to directly elect the president was set aside, and research went into the indirect election plan. The presidential election systems of all countries were brought out for study.

I recall that research started around November or December of 1990, about two months before the convention of the National Assembly. By February 1991, it seemed that there was only one plan, for indirect representational election. The other one, for direct popular election, had not been studied at all. Let me repeat that, with public expectations for the direct presidential election running so high, it was not right to neglect it. What some people and a number of newspapers criticized as a 180 degree turnabout was the story of whether to propose the two plans together or not. Look through the papers and you can read about it.

However, that's not the way the facts went. Originally, there were two plans to be proposed at the same time, but afterwards only one was studied in depth and the other was put aside. Though I was not in charge of this plan, being the Chairman of the ruling party, I thought it would be more appropriate to bring this issue to the highest levels of the party for discussion.

Therefore, the two plans were brought up before the Central Standing Committee of the KMT, but a decision still could not be reached, except for bringing up the differing views about these two plans.

We felt it would be best if we had a consistent and unified plan, but differences remained. So what could we do? We put the two plans before the party caucus for everyone to discuss, and then discuss some more, to

see what the prevailing opinion was. Perhaps everyone recalls that more than 100 party members at that meeting stood in line, waiting challenge me and see if I would agree to this direct election plan. Although I had not insisted on the direct popular election plan, I knew that the public and popular opinion did. Party opinion was also for it.

Under such circumstances, it was best for everyone to have a chance to discuss it. More than 100 people criticized me. I just smiled at their criticism. It didn't matter: "Go ahead, criticize me." No conclusion was reached that year. The decision therefore made was ambiguous, saying that "the President and the Vice President shall be elected by the entire populace of the free area of the Republic of China," without mentioning whether they should be elected "directly" or "indirectly." The matter was carried over in this way.

That was the end of 1992, and the direct election plan was not passed. I said, it doesn't matter, don't come to blows or shed blood. For the benefit of the people, wait for the next opportunity. That came two years later, in 1994, when the National Assembly met. By the time of that meeting, about 90 percent were for direct popular election, so direct popular election became an article of the Constitution. It is now clearly stipulated in our Constitution that "the President and Vice President shall be directly elected by the entire populace of the free area of the Republic of China." In addition, the right for overseas Chinese to vote was included in the additional articles. The entire decision-making process was in line with changes in the situation and the needs of society.

Everyone understands the changes in our society. Why? During the 5,000 years of Chinese history, no state leader has ever been elected by the people, nor have our people been their own masters. This has also been the case over the 400 years of Taiwan's history, I know. Although there were many differing views, the general assembly slowly reached a decision. I think we went about it in the right way. It was an extremely important event for the Republic of China. In view of our current state of popular sovereignty and our realization of democratic politics, I believe that this decision was the right one.

Therefore, when I had the chance to stand for election, I felt that I really should step down and that it would be best not to run. However, under the objective and subjective circumstances, I had to stand for election. If someone were to ask me whether I felt this was selfish, and whether after I stepped aside everyone else would have a chance to run, I would reply: The most selfish thing would be to step aside and watch others run. However, for the sake of genuine direct popular

election, political stability, the needs of the country, and because my nation and party need me—this undeniable need for me—I had to stand for election. If I did not, I would fail to meet the people's expectations and fail to carry out my mission to promote democracy.

I felt that this was what I should do, so I resolved to run. With so many of my friends wanting me to run, and some wanting me not to, we exchanged views. However, in the end, my decision was based on a sense of mission. This is confidence in the future of my country. I feel there is this need, so I have decided to run for the presidency.

Therefore, my personal view of this issues is that it is nothing special. I dealt with this issue very rationally. However, when implementing it, it have done so with great emotion. I feel the handling of this issue could be considered quite reasonable.

Q9: Wang Chih-ying of Taiwan Television Enterprise: Mr. President, while responding to my colleagues' questions, you have stressed stability as an important issue in your presidential campaign. You said during a campaign event in Kaohsiung that if you and Lien Chan are elected with more than half of the votes, Taiwan's stability will be assured for another 40 to 50 years. Mr. President, on what do you base this confidence?

A: I have said over and over with regard to this election that we should not be divided by political parties or provincial origins. We should all unite to elect a president with more than half the votes, so that the president will have full popular support. Why do I say this? Because it will probably take a long time, at least 30 to 40 years of political stability, for party politics to truly be established in the Republic of China. I am not calling for the divvying of political spoils. We should be united in our philosophy, and not squabble over independence or reunification.

In fact, what independence/reunification issue does the Republic of China have? I see many people discussing independence and reunification, and saying that my attitude and ideology are unclear. I am president of the Republic of China. My only view is toward protecting the Republic of China, maintaining its existence, and promoting its development. Why, then, do people still talk about independence and reunification? I have been thinking that it is probably due to ideological differences. Considering the philosophical framework which I have just outlined, we should not be divided by political parties or provincial origins; instead, we should be united.

I believe we need to change our political climate. How you wish to interpret this statement is your business. I

think we probably will achieve this after the presidential and vice presidential elections. It is very important that our political climate be changed through unity, not through the divvying of political spoils. We must be united in our philosophy. The path for the ROC lies before us. We must carry though with the great task of development. This is a very important matter.

Q10: Kuo Pi-chun of the TAIWAN TIMES: My question, Mr. President, concerns the fact that in the present election campaign, another presidential candidate, Mr. Peng Ming-min [of the Democratic Progressive Party], has never attacked you verbally. Nor have you attacked him. But there are rumors of widespread calls for "deserting Peng to ensure a Li victory." Have you, Mr. President, sensed this in the air?

A: I don't believe in this kind of talk about "deserting Peng to ensure a Li victory" in this election campaign. As I mentioned earlier, the most important issue is Taiwan's political stability and macro-development. We must consider the overall political stability of Taiwan. The DPP and the New Party were established in the recent past. Whose interests do they represent? Have the ordinary people gained any real benefits from their establishment? Under these circumstances, I, as chairman of the Kuomintang, believe that the KMT has taken the "middle path." It pursues neither Taiwan independence nor a hasty reunification. In reality, national reunification is a long-term goal, but how can the nation be unified under the present circumstances? Mainland China is a socialist country. How can the two sides be reunified with the mainland's economy and politics as they are and a lack of freedom for its people?

The Chinese mainland must first attain a state of freedom, democracy and equitable prosperity before we can talk about reunification. We must wait; and as we wait, we must continue to develop. We cannot stop developing. But neither can we develop when things are in discord. We must be politically stable. I don't believe in this talk about "deserting Peng to ensure a Li victory." What do the people here actually want? They want stability. They want prosperity. They want their children to have greater room for growth in the future; they want to lead happy and satisfactory lives rather than be subject to the formidable hardships of our youth. As such, the people will slowly come to realize whom they want to vote for and how they should act to ensure stability, prosperity, and a stable foundation for their future generations. Therefore, I have no notion about "deserting Peng to ensure a Li victory." However, as long as the people at the grassroots share the same ideal, they will come out in support of me. This kind of situation definitely exists. We are all friends, aren't we?

Q11: Ch'u Sheng-i of the Chinese Television Network: Mr. President, I want to pose a follow-up question for one of the questions you have already answered. You said that you would not exclude the possibility of exchanging visits between high-level leaders from either side of the Taiwan Straits at an opportune time. And you also said that an important mission of the ninth-term president will be to put an end to the hostility between the two sides. Mr. President, if you are elected for another term, what will be the first step you take to ease cross-straits tension? Open postal, commercial, and transportation links? Sign peaceful agreements between the two sides of the Straits? Exchange visits between state leaders? Exchange visits between high-level representatives?

A: The most important thing we should do is strengthen our efforts to resolve disputes through peaceful agreements between the two sides. In 1991, we terminated the Period of National Mobilization for Suppression of the Communist Rebellion, but we have seen no action in response from the Chinese mainland. We look forward to discussing this problem. In fact, Jiang Zemin's Eight-point Proposal raised this issue, and I have talked about it in my own six-point proposal. Recently, I have often suggested using these two proposals as a bridge to promote cross-straits peace and stability. This is of highest priority. The postal, commercial, and transportation links can be discussed at a later stage. The three links will not be feasible until the first problem is solved. I would like to emphasize that only stability will allow us to implement further measures.

Q12: Kang Yu-feng of the Broadcasting Corporation of China: Mr. President, with a month to go until the presidential election, you are campaigning everyday. I would like to ask you, Mr. President, what is different about the determination with which you have thrown yourself into this campaign and how you have campaigned for other party candidates in the past? What insights have you gained from your contact with the public during your grassroots campaigning? Of course, we would like to learn your own assessment of your situation. Will you win the election? If you do, how many votes will you garner?

A: My mood when going out now to speak on my own behalf and calling on the public to vote for me is in fact the same as when I helped out my fellow party members during their campaigns. The most important thing is to go out and present oneself. Even the president must go out and ask the public for its vote; our society has changed. The mood is the same as going everywhere to seek votes on behalf of my fellow party members, there's not much difference. However, this time the campaigning involves me, while on other occasions, it

has involved my fellow party members. If there is any difference, it is not very much.

However, I am doing all I can do and what I should do for this presidential election. I am currently president, but before members of public I should be just another citizen like them, asking for their vote as a candidate. This is very important. As far as I am concerned, I never consider that I am stooping beneath being president to campaign. This is what I should do; it is a democratic society. And this is what should be done in a democratic society, regardless of how much you have accomplished in the past, you should come down to the people. After you leave the presidency, you will still be an ordinary citizen. Therefore, under these conditions, all I can do is ask for everyone's vote, going to them, one-on-one, to seek their vote.

You ask me what my predicted margin of victory will be, but there is no such prediction, so I must still sincerely ask for everyone's vote. With your vote, the Republic of China gains power. So I seek votes for just this reason.

I have never stood for election before, but I know a good deal about campaigning. In truth, on the evening of March 22, there will still be no way to be sure of how many votes you will get. It would be much too optimistic to talk now of winning the election. Things don't work out that well in the real world.

We must work hard and endure adversity. The public has endured such difficulty, and we must, too. So, I often remark that one must shake a few more hands among the public. Only when you shake someone's hand do you know if its warm or cold, hard or soft; and learn more about how rough everyone has had it and how much they have struggled. One should avail oneself of this opportunity to learn more. This is the true meaning of, "What the people want is always in my heart."

How do you learn "what the people want"? In the past, the emperor had no member of the public to tell him, and he had no way to shake hands, so he didn't understand their tribulations. I want to have more contact with them, so that I can make a good president after being elected.

Q13: Wang Yun-yi of TVBS television: Mr. President, I would like to ask a question of you, if I might. You mentioned earlier that both subjective and objective conditions led to your decision to run for president; but some have criticized you for serving as president for many years, yet failing to cultivate a capable successor. Nonetheless, I would like to ask, do you really think that no one in the younger ranks of government officials can carry on in your place, leaving you at the advanced age of 74 no choice but to come forth and run in such a

hotly contested election as this? Following this election the new leader will have to lead Taiwan into the 21st century. What qualities do you feel are necessary for this new leader? Who among current government officials do you feel has these qualifications? You have chosen Lien Chan as your running mate and during this period to also serve as premier. However, this has incurred a great deal of criticism from legislators who say that you don't respect the Legislature enough, and hand-picking a candidate for premier is neither good nor appropriate. What is your opinion of this?

A: Many people have out-dated ideas. Where is there a successor problem? A successor is chosen by the people. All you do is nominate a candidate. Lien Chan wasn't the only person, there were plenty of others. However, he was the right man in the right place to run this time. The most important thing in an election is to win. This must not be forgotten. There is no use standing for election if you can't win, so it rarely happens.

I am not too clear about any criticism directed against me by legislators. However, you must understand that if it wasn't Lien Chan nominated this time, then who would it have been? There will be one more nomination, you know. You don't just nominate someone once and then that's it. Lien Chan is running for vice president. If he wins, he cannot serve as a premier. If I am not elected president, another president will not nominate Lien Chan as premier. Isn't that right?

If you think about my current situation, then when someone else becomes president, thought should be given to allowing him leeway to nominate his own candidate. Right? If I am elected president, then Lien Chan will not serve as premier! When you think about this problem, it is best for Lien Chan to work hard for a while. Right? This is the simplest and the only way. Otherwise, if you pick someone for the post on behalf of a president before he is elected, what do you do after that new president wins? If you think about this problem, then there is no issue of a "successor." I am running for the presidency in my seventies because I have a sense of mission. That's my reason for running. This is the answer to your question. Thank you.

Q14: Lai Hsiu-ju of the (Hong Kong-based) MING PAO Daily: Mr. President, you've just mentioned that the next four years will be of vital importance to the ROC. But there are now only 472 days left before sovereignty over your near neighbor, Hong Kong, reverts to mainland China. I would very much like to know, Mr. President, what you think about Taiwan-Hong Kong relations? Do you think that Hong Kong will be able to maintain political stability and prosperity after July 1997? Another question I'd like to ask

concerns three convicts sentenced to death: Su Chien-ho, Liu Ping-lang, and Chuang Lin-hsun, who have elicited much concern in Taiwan. Many human-rights groups and religious groups are calling on you, Mr. President, to pardon the three. I know that you are greatly concerned about this case, but don't know if you have asked the Ministry of Justice to review the case or have already made up your mind?

A: The issue of Taiwan-Hong Kong relations after 1997 is very important. I feel that under present circumstances, we will maintain the current state of relations between the Republic of China and Hong Kong. As for what changes there will be after the Peking [Beijing] authorities take over Hong Kong, I think must await until then when we have new measures as a response. Given the present situation, we shall maintain the status quo. And what about relations between Taipei and Peking [Beijing]? We shall maintain the current state of our investment in Hong Kong, our transportation ties, and other areas. This is very important.

As for the question you just raised about the three convicts, I have in fact not received a report from the Ministry of Justice, but of course know of this issue from the newspapers. However, since the judicial process for the case is ongoing, it is not proper for the President to get involved. Of course we should be concerned about this case, but during the judicial process, we should allow the judiciary to deal with it. If this case really warrants my getting involved, lest there be a miscarriage of justice, I shall consider the reactions of human rights groups and others, or perhaps Secretary-General Wu can look into it. However this issue ultimately turns out, assuming there really is the possibility, I would like to coordinate or help, either is possible. This involves human rights and very importantly, human life, so we should be concerned. However, at the same time, it is a judicial issue, and we must not use extra-judicial processes to influence the judiciary. To twist the judicial process would also be wrong. I feel that issues of human rights and human life are very important, and really emphasize this.

Q15: Wu Shih-cheng of the China Television Company: Mr. President, I would like to ask a question about constitutional rule. As the eighth-term president of ROC elected by the National Assembly, you are running to become the ninth-term and the first popularly elected president of the ROC. Once elected, the base of authority for the president will be expanded and increased.... President: Excuse me, would you please repeat the last part? Reporter: After the first popular presidential election, the base of authority for the president will have expanded and increased. Now, as for constitutional rule.... President: Increased? How? Reporter:

About the future... President: The Constitution will be the same, right? Reporter: Yes, under the current Constitution, the relationship between the Executive Yuan and the president... President: No, his base of popular support will grow. It better to state it that way, OK? Reporter: Thank you, Mr. President. You are also chairman of ruling party, so do you have any new interpretations or ideas about the relationship between President, the Executive Yuan, the National Assembly, and the Legislature under the current constitution?

A: Truthfully, if viewed from a specialist or professional standpoint, there are still many problems with constitutional reform and even a portion of amendments to the Constitution. Apart from the problems we are currently encountering, the three-year term for legislators, the four-year term for president, and the four-year term for members of the National Assembly all differ. Not to mention the highly complex nomination and confirmation procedure for the premier. This is a constitutional issue, isn't it?

There are also some current problems concerning the relationship between the Executive Yuan and the Legislature which could become more serious in the future. The Legislature enjoys a great large base, but what ultimately will be the case? Even if we amend the Constitution in the future, all problems from big to small have to be taken care of.

I would say that after the direct popular election of the president, the only difference would be that the president's popular base has expanded. What difference will there be between such a president and the president of the past in carrying out his duties? I have no idea at this time. In the process of promoting so many major national matters, it is true that some problems exist.

Does a president with a greater popular base have greater powers? According to our constitutional amendment, the presidential term has been shortened from six to four years. Did you realize that? The president now nominates the presidents, vice presidents, and members of the Control Yuan, Examination Yuan, and Judicial Yuan for conformation by the National Assembly. Especially in the case of Control Yuan nomination, the president's power has increased somewhat. But all people have given thought to is whether the president enjoys power without having to bear responsibility.

I find that there are many problems we don't see clearly. When the election is over, what will the people think of the president; how will the Legislature and other branches of government interact with each other? I have no way to think about these problems in advance. Since the base of popular support is great, there isn't any problem for me. It is not that presidential authority will

suddenly become too great. According to past cases of constitutional amendment, the problems have been lessened rather than increased. So, I think we should look into this issue further later on.

But, if possible, as I said earlier, there is the problem of changing the political climate. That is, with a greater popular base, the president will have more opportunities for contact with popularly elected representatives and the political climate instead of sitting in his office all day long. He can go out and get closer to the people. Perhaps, the number of cases where the president directly intervenes to coordinate and assist may increase.

Q16: Meng Jung-hua of the CENTRAL DAILY NEWS: Mr. President, you mentioned earlier that you would not give up pragmatic diplomacy while promoting cross-straits relations. Mr. President, if you are elected as the ninth-term president, will you continue your visits abroad? Particularly in Japan, where you also have an alma mater?

A: Visiting one's alma mater isn't really the important question, is it? We have a principle: if it is in the country's interest for me to go abroad, I will definitely go. If it were only for my own sake, to get some rest, in the name of a golfing vacation or an ice-breaking trip, then it is not important. We feel that the mainland authorities should not be so concerned about our pragmatic diplomacy. How do my visits abroad hamper the development of the Chinese mainland? There is no need to look at things in this way. The Republic of China's democratization in Taiwan is a good thing, as is its economic development. The respect which the international community holds for us is very good for the Chinese people. Why is something that is good for Taiwan necessarily bad for the Chinese mainland? This makes no sense. As long as Taiwan remains steady, it will have a good influence on the mainland. It is misguided to believe that the existence or development of the ROC will result in the separation of Taiwan from the mainland or Taiwan independence. I have never thought of it this way. What was at first a simple issue has become quite complicated. This was not my intention. I have long advocated reunification. And even though I have said as much many times, people still claim that these are empty words. They are not.

Reunification has not occurred simply because the time is not yet right. The situation on the Chinese mainland has not changed. The mainland has many internal problems, many more than Taiwan has, right? Some people might disagree, but to our understanding, the mainland has a lot of problems.

If you ask Peking [Beijing] to decide now whether it wants immediate reunification, it will have yet another headache. Under such circumstances, allowing the ROC to continue its development unhindered and giving the ROC more leeway for pragmatic diplomacy would be signs of mutual trust and concern. And that is most important. When both sides achieve a climate of mutual trust, the problems will then be solvable. There should be no problem with the existence of the ROC on Taiwan.

The ROC's continued development will benefit the Chinese mainland. When we have money, we can invest in the mainland, right? Our democratization can encourage the mainland to move gradually in this direction. Democracy is better than authoritarianism, isn't it?

Therefore, I don't know if I will visit Japan or anywhere else. Perhaps you got this idea from people out there who say I am extremely ambitious. I cannot really answer this question right at this point.

Q17: Chuan Chia-li of the TAIWAN DAILY NEWS: Mr. President, since others have given your administrative achievements a variety of evaluations, would you please evaluate and grade your administrative achievements yourself?

A: As a contestant, it is difficult to be a judge. It would be better for you journalists and the historians of future generations to make the judgment. Yet there is one thing which you must not forget: it has indeed been due to my painstaking effort that the Republic of China has been able to enjoy democratization. What is the advantage of democratization? With democratization, all are free to speak, read, and do as they please.

Twenty years ago if you said something wrong, someone would come looking for you immediately, and you would never be able to sleep at night. Today, things are no longer like they used to be. I have always felt that we must not allow the next generation to experience the hardships we did. Everyone must understand what I am saying. Perhaps you young people don't know how we got here.

You want me to evaluate my own contributions. In fact, I have no evaluation. People accuse me of abusing my political power and criticize me for buying a house. Actually, it is perfectly appropriate for an ROC president to buy a house. What is strange is that such a common occurrence should become a big issue. What is wrong with having enough money and the right to buy a house? There is nothing wrong with that at all. You have bought houses, haven't you? Then, why can't I? Do I have to retire first? I am also a human being. Right? This is simply a difference in point of view.

Q18: Ho Shan-hsi of Super TV: Mr. President, you talked about many things earlier except topics like military affairs, on which you've held your tongue. Yet, I noticed that you pretty much wanted to touch on another thing when you said the domestic political climate will soon change. Because when you said this, your eyes brightened. Later, you mentioned you will seek to have dialogues with those who have support among the people. I am trying to draw a picture from your words. May I ask whether you will deliver a report on the state of the nation to the Legislature, hold talks with leaders of other political parties, or integrate, in your capacity as party chairman, the concepts of your party with those of other parties to develop a new party politics?

A: What is stipulated in our Constitution is the most important. The Constitution is also the basis of our government administration. What would become of the premier's office if I were to visit the Legislature? Therefore, such a situation should not occur. In my opinion, we should take our time with the supposition you've just raised. We should carry out government administration in accordance with the Constitution. How political parties interact—that's another issue and should not involve the Legislature or the Executive Yuan. As for the political climate, that's more of an issue between political parties.

Q19: Don Shapiro of TIME magazine: Some people have criticized the Kuomintang and yourself, Mr. President, for the growing influence in recent years of underworld and big-money politics, which have evolved into a social problem. How do you, Mr. President, respond to this kind of criticism?

A: This is a very good question. There is a difference between societies where there is free will and where there isn't. We were under strict control in the past, when we dared not stretch out our hands or legs, or even speak. But once we could exercise our free will, all our vitality was unleashed. The good burst forth, but so did the bad. Is there a democratic society in the world which does not have an underworld? Or big-money politics, for that matter? These can be found in any country, including the United States and Japan. The most important problem is how to keep the underworld and big-money out of politics? Japan has a separate set of rules which allows its underworld to form organizations and regulates the things that it can or cannot do. There are legal stipulations that the underworld may not participate in politics. The second step would be from the educational standpoint. The third step would be to make sure that the electorate does not vote for such people.

As for your second question on big-money politics, I do not understand the problem. Why? Because for a nation to develop, it must have capitalists. How would it be possible to develop without investments from capitalists? In a democratic society, we must help medium-sized and small businesses but large enterprises must also have the opportunity to develop. The problem here is special privileges, which we should not allow. Administrative reforms must be well implemented in this regard.

I believe that we have made much progress in this area. Under the authoritarian rule of the past, only the rich could do what they wanted. You can ask the ordinary folks and you would know. If you wanted to get into the cement industry, you could not even think about it without special connections. Why did we spend so much time discussing the construction of the sixth naphtha cracker plant before we opened it up to the private sector? This would have been unthinkable in the past. Now even electric power generation is opened to the private sector. The special privileges are being removed one by one, even in other projects like civil engineering. We can all see this clearly.

My opinion is that big-money politics is a different question altogether. We should lay down regulations on the underworld issue. This is a democratic society and this same problem could arise in any region; it already exists in all countries. We should regulate the underworld, prevent it from getting into politics, and accord it appropriate room for activities. This, I think, is the important point.

Q20: Kuo Shu-min of the CHINA TIMES EXPRESS: All the questions that I wanted to ask have already been asked. I have only one question for you, Mr. President. The campaign activities for the ninth presidential election will kick off tomorrow. Today you are hosting a press conference and have reiterated that this, the first direct presidential election, is historic for the Republic of China. Mr. President, you are a trendsetter. Would you be willing to break still more new ground by participating in a televised presidential debate?

A: Let me tell you truly that televised debates are just another campaign tactic. Some people advise me to participate in them. But if televised debates are only a campaign strategy, then surely we can have many other strategies. Some people charge that I talk about popular sovereignty, and yet do not go out to participate in televised debates. We believe debates are simply a campaign tactic, and our campaign headquarters has researched the tactic.

What's the best way for us to respond? We will not choose a way that is detrimental to us and participate in

just any contest. We will not participate only because a newspaper organizes the activity with great pomp and show. In fact, every day we meet people and listen to them, their grievances and their thinking. Just now I've talked about shaking hands with people. Do you know how many hands I've shaken? More than 100,000. Do you know that shaking hands is the best way to know what the people want? This is going at it one-on-one. We will go about this way, just as I said.

In fact, our society is immature in certain areas, and you might say that we could just close our eyes to these areas. Still, it's not a bad idea if we can debate in earnest. But your opponents will abuse you and sling mud at you. That is inevitable. They just take it as a joke: We need not be too serious about it, they say, because we're just acting.

That is why I believe in making the best use of time by going out to meet people. I would be willing also, through this kind of occasion, to exchange views with you. This is good debate, is it not? I'm answering your questions; this is great, isn't it? I believe televised debates are merely another campaign tactic. We must have campaign tactics, but we ought to choose the most appropriate ones.

Q21: Mark Lewis of UPI: The recent Communist Chinese military exercises have created problems not only for Taiwan but other Asia-Pacific countries as well. What role do you think the United States should play to counter this or to help Taiwan counter these military threats from the Chinese mainland?

A: The stability and peace in the Asia-Pacific region are closely related to the United States because it is a member of the Asia-Pacific Economic Cooperation (APEC) forum. The US shares much closer relations with Asian nations than with Europe. US economic trade with Asia has expanded tremendously; it also has huge investments in this region. Therefore, it would be immensely concerned about the stability of the Taiwan Straits, the Korean peninsula and the South China Sea. The military exercises being staged by the Peking [Beijing] authorities just because Taiwan is holding the ROC presidential and vice presidential election have made the PRC the laughingstock of many countries. This is bad. There is no need for it.

The United States shares very close relations with the Chinese mainland and should advise it that it isn't good to act in this manner. If mainland China has any conditions or things it wants to talk about, it can increase its contacts and discussions with the US. US-mainland Chinese relations should not take a turn for the worse because of my visit to Cornell.

I want to stress here that the maintenance of good relations between Washington and Peking [Beijing] will be helpful to Asia. The United States could, from its own standpoint and for stability and peace in Asia, engage in more frequent contacts and discussions with the Chinese mainland. The US and the ROC are good friends. Despite an absence of diplomatic ties, we do share close relations in such areas as trade and culture. There is also the Taiwan Relations Act. Thus, the US is also very much concerned about Taiwan's stability. I hope that the United States will show even greater concern for this issue for the sake of Asian stability.

Q22: Yen Chih-ching of the UNITED EVENING NEWS: Mr. President, you have mentioned several times earlier that you have always wanted, since you assumed office, to establish a democratic society with a high degree of humanistic concern and respect for free will. We are aware that there have indeed been tremendous transformations in the past few years. For example, we news reporters can criticize the president in the media without having to worry that somebody might be knocking on our doors at night. Recently, however—I don't mean the *gemeinschaft* that you, Mr. President, have consistently hoped to establish—we can see disparities and contradictions in politics and arising as a result of different provincial backgrounds. Should you, Mr. President, have the opportunity to serve another four years in office, do you anticipate any moves for improvement or have you any ideas for future endeavors toward the establishment of a *gemeinschaft*? (Mr. President: Can you tell me where the contradictions lie? You tell me.) Take party politics, for example. We can see the dividing lines. For instance, factors of provincial origin do figure to some extent in the New Party and the DPP. Can you, Mr. President, comment on this?

A: The *gemeinschaft* does not involve political parties. It is but a unit, an organization in and of itself. The most important thing is that ours is a society of immense freedom, where everyone can affirm himself, affirm you and me. To do the things that we should for society, we must have an arena, a stage on which we can act. This stage is the community. The *gemeinschaft* that we are emphasizing here should be built around the community as its center. We should not, I believe, have politics in a community. What is most important here should be cultural activities, for example, the environment, the culture.

Culture also covers education. I think that our principal issue is to have mutual spiritual communication. With the community at the center, the youth, the women, and the aged in each community would engage in constant communication. I mean communication in the spiritual

sense; and spiritual communication is the beginning of a *gemeinschaft*. Here, no special interest groups would be involved. Vested interest groups are what the Germans call *Gesellschaft*. We do not have this problem here. Perhaps this would apply more to party politics. I have often said that we make no differentiation between those who came from the Chinese mainland recently and those who came many generations ago.

Here, we make no distinction between people who came to Taiwan 40 years ago and those who came 200 years ago. Everyone here is a new Taiwanese. All of us who strive for Taiwan, cherish Taiwan, love and protect the Republic of China are Taiwanese. Taiwanese are also Chinese! As we all strive together on this same boat, we should all share a common mission, that is, to start from the home and then the community and to slowly move outward to include the entire society. This is what I think should be.

Political issues are, I think, of a different domain and perhaps it would be better for us to discuss them separately from the *gemeinschaft* issue. The *gemeinschaft* is a spiritual and cultural issue and commences from the cultural sphere.

Secretary-General Wu: Ladies and gentlemen, after an hour and 28 minutes it is time to bring this press conference to a close. Thank you for coming.

Mr. President: Thank you all for your hard work.

Taiwan: DPP Candidate Peng Ming-min's Declaration

OW2702135796 Taipei TZU-LI WAN-PAO in Chinese
24 Feb 96 p 1

["Full text" of the "New Taiwan Self-Saving Declaration" by Peng Ming-min, presidential candidate of Taiwan's Democratic Progressive Party — date and place not given]

[FBIS Translated Text] In the "Taiwan Self-Saving Declaration" which I issued in 1964, I clearly stated that the Kuomintang [KMT] regime headed by Chiang Kai-shek was putting a yoke on the necks of people in Taiwan through the fraud of the century, namely "recovering the mainland." I called upon the people in Taiwan to rise up to resist the unjust and unrighteous regime and rally together to "build a new country" and "establish a new government!"

Now 32 years have elapsed. While the KMT regime in Taiwan has not collapsed, I have suffered tremendously because of having issued the "Taiwan Self-Saving Declaration." I was arrested and incarcerated, and later I spent more than 20 years in exile abroad!

After 32 years, history has long since vindicated me. Public opinions the world over that has a conscience have also vindicated me. Nevertheless—

The people in Taiwan are still unable to vindicate me! This is because the people in Taiwan are still being ruled by the KMT regime, and this rule has gone on for 50 years!

The fact that one party has been able to sustain its autocratic rule for 50 years is a unique anomaly, except in dictatorial communist countries. If the people in this country still say they are happy after having been ruled by one party for 50 years, that is a lie! And if the people of this country still do not want to resist this party after having been ruled by it for 50 years, they must have degenerated!

Dear people in Taiwan: I have now returned. I want you to vindicate me as I deserve. When I exposed that big fraud of the century 32 years ago, you were not able to fight for me and protect me for the justice of mankind, and I had to save myself and fight for Taiwan's destiny by spending long years in exile abroad. Now you have the opportunity to vindicate me and bear historical testimony to the belated truth. Why wait?

Dear people of Taiwan, the KMT regime has exercised its autocratic rule on Taiwan for 50 years. What is it trying to do now after its political fraud of "recovering the mainland" was exposed by me?

Today the KMT regime still cherishes the fond dream of "one China," saying that "Taiwan is part of China" and will eventually be reunified with China. This is no different from its previous basic national policy of "recovering the mainland." It shows that it still refuses to do away with its grudges with the communists created by the KMT-CPC war 50 years ago, and that it is trying to move the battlefield to Taiwan and use the people of Taiwan as its tool for venting its resentment of the communists!

The only difference is: When the KMT pledged to "recover the mainland," it and the CPC attacked one another with profanity like that used by outlaws and tyrants; and now, the KMT regime keeps a low profile and no longer mentions "recovering the mainland." However, because of the historical grudges, the Chinese communists now keep a high profile, and the situation has become such that the CPC is acting like a policeman and treating the KMT as a fugitive. This is really lamentable! In recent years, China has been treating the KMT regime in Taiwan with the same mentality as a "Chinese policeman" searching for a KMT fugitive. The Chinese communists' "military threat" and their harsh condemnation of KMT leaders are nothing but an

expression of their mentality of trying to bring a fugitive back to prison. Why do we innocent people in Taiwan have to suffer like this? This is because we continue to tolerate the KMT regime's rule. We are sadly involved with the KMT-CPC fight and now we have to bear the humiliation of being an international fugitive!

Dear people of Taiwan, now is time we should rise up to save ourselves and break away from the fight between the KMT and the CPC. When I issued the "Taiwan Self-Saving Declaration" 32 years ago to expose the KMT regime's fraud of "recovering the mainland," my intent was to rally the people in Taiwan to sever our involvement with the historical KMT-CPC fight and build a new Taiwan state of our own. The best way to achieve this is to renounce the KMT and force the KMT to step down so that Chinese leaders will no longer treat Taiwan with any historical complex. Only then can China and Taiwan coexist peacefully forever!

When you, the people of Taiwan, vindicate after 32 years, you will also do yourselves justice and usher in an era in which our offspring can live in peace forever.

This being the case, I solemnly remind you that, in the forthcoming historical presidential election, you have these two alternatives:

1. Demanding Mr. Li Teng-hui to disband the KMT, take the initiative to remove the cause of KMT-CPC grudges, and apologize to the people of Taiwan for Taiwan's uncertain national status over the past 50 years and the damage the KMT regime has done to the Taiwan people's dignity and national construction!

2. When you elect the president, you should refuse to cast your votes for the three groups of candidates who came from the KMT and who want to sustain the KMT regime— Li Teng-hui and Lien Chan, Lin Yang-kang and Hao Po-tsun, and Chen Lian and Wang Ching-feng— and resort to actions to demonstrate our renunciation of these candidates who represent an "unreal China" but who want to maintain the KMT-CPC fight and let Taiwan be brought back to prison like a fugitive. You should also make every effort to keep the total number of votes these three groups of candidates receive under 50 percent. Instead, you should cast your votes for me and my running mate, Hsieh Chang-yan. We represent the "real Taiwan," and we have absolutely nothing to do with the KMT-CPC fight, we can always safeguard Taiwan and coexist peacefully with China!

Dear people of Taiwan, now is the time for us to save ourselves and proceed with the movement to rebuild Taiwan in a big way. Can we afford to endure another 50 years of autocratic KMT rule and continue to live an absolutely undignified life as a fugitive being brought

back to prison by an overbearing China? The moment you cast your votes for me and my running mate will be an epic, historical moment, and the people the world over who love peace and a civilized life will support and applaud us!

Taiwan: Daily Cites PRC Official on Peng Ming-min Remarks

OW2702142596 Taipei LIEN-HO PAO in Chinese
25 Feb 96 p 3

[By special reporter Lai Chin-hung (6351 6930 1347)]

[FBIS Translated Text] Beijing, 24 Feb (LIEN-HO PAO) — In response to Democratic Progressive Party presidential candidate Peng Ming-min's remarks of "announcing Taiwan's independence as soon as the CPC begins to attack Taiwan," a CPC official today said that if the CPC really decides to attack Taiwan, it will not care whether the Taiwan announces "independence" or not; moreover, if Taiwan openly announces "independence," it will be less possible for the United States to have a hand in the Taiwan issue, and it will be less complicated for the CPC to complete the process of "reunification."

The CPC official stressed: "Peaceful reunification; one country, two systems" are the CPC's general principle for Taiwan. "Jiang's eight points" represent the bottom line of policies at the current stage. Both sides of the strait should make efforts to improve relations in the direction of peace. The military means is just the last option, after all other options fail. The CPC authorities still stressed that only in the case of "Taiwan independence" or "intervention of foreign forces" would force be used against Taiwan.

The CPC official said: The CPC will never accept "Taiwan independence" under any circumstances, nor will Chinese people the world over accept it. Once the CPC decides to use force to attack Taiwan, it will not care whether Taiwan announces "independence." If "independence" is announced by the Taiwan side, the action taken by the mainland side will be more justified. Moreover, the CPC must have the determination to win if it makes the decision to use force against Taiwan. Then, there will be no time and space for "Taiwan independence."

The CPC official said: The United States has openly indicated that it does not support "Taiwan independence." So, if Taiwan announces "independence" immediately after the CPC's military action against it, it will be less possible for the United States to have a hand in the Taiwan issue, and it will be less complicated for the CPC to complete the process of "reunification."

Taiwan: Army Prepared To Take on Mainland Military Threat

OW2802035496 Taipei CNA in English
0130 GMT 28 Feb 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Feb. 27 (CNA) — The Ministry of National Defense has completed comprehensive preparation for the military exercise planned [words indistinct] Communist Chinese troops along the southeast coast of Mainland China, the military spokesman's office said on Tuesday [27 February].

It said that the military drill, with some 150,000 men involved, is expected to take place before the ROC's [Republic of China's] first direct presidential election on March 23, depending on weather conditions in the strait that separates Taiwan from the mainland.

The war games may be staged near the offshore island of Pingtan or simultaneously on Tungshan and Nansha islands, the office said.

It said that whether the People's Liberation Army [PLA] will fire missiles during the exercise is still not known, but that the mainland military will have to make public the firing zones and schedule prior to the exercise in accordance with international precedent.

The office said the Defense Ministry will continue to keep a close watch on the PLA's anticipated military drill, which it said is intended to influence the presidential race.

While pledging to stop any attempted invasion, the office said the military will not take provocative measures in dealing with the mainland threat.

Also on Tuesday, National Defense Minister Chiang Chung-ling urged the public to unite and not to "dance to the tune of Mainland China."

He said the military is thinking about establishing a "quick-response unit" that would be able to counter any threat or blitz attack across the Taiwan Strait.

Taiwan: Defense Spokesman: 'No Unusual' Troop Activities

OW2802075096 Taipei LIEN-HO PAO in Chinese
24 Feb 96 p 9

[FBIS Translated Text] By Lu Teh-yung, Taipei — The National Defense Ministry spokesman's office yesterday stated that during the lunar new year holidays, the Ministry has been keeping close watch on the movements of communist troops, but so far no new increases in forces or unusual activities have been

detected. A high-level official pointed out that, due to the bad weather that stayed on the southeastern mainland coast and Taiwan from the lunar new year's eve until yesterday, the size of the massed communist troops generally remained the same as before the lunar new year.

The spokesman's office also said that the National Defense Ministry will continue strengthening its preparedness and heightening its alertness to safeguard the security of Taiwan, Penghu, Kinmen, and Matsu. The ministry will advise the public promptly if the situation changes.

A concerned ministry official said it has become routine for the armed forces to go on alert annually, with the aim of enabling our compatriots to enjoy comfortable lunar new year holidays, but this time the "heightened alert" can't be ended yet because communist troops are still massed there on the opposite side of the strait for a planned maneuver. Since our armed forces are well prepared for all emergencies; and since the massing of communist troops still constitutes no threat to us, we don't anticipate a conflict, although we are not afraid of one.

As for our stance toward this tense situation between the two coasts, our government has recently issued a clear instruction "not to trigger the conflict, not to raise a confrontation, to reduce hostility but not to evade, not to show weakness, and to strengthen preparedness for war." In fighting a war, one must be exhaustive and thorough. We have to work out in advance all preparations for all kinds of possibilities. In case the communist troops, during their exercises, suddenly try to test us by touching the bottom line or getting near our defense perimeter, our armed forces will confront the situation not only by "fighting ably" or "fighting daringly" but also by "fighting prudently" and "exercising maximum tolerance."

On the assertion by U.S. CIA Director Deutch to the effect that "an accidental firing of a gun while rubbing it" could possibly ignite a military conflict in the Taiwan Strait, a Defense Ministry official admitted that in war history there have been plenty of such cases that are worth learning about. "Rub-firing" means an unwanted war that erupts due to improper reactions by one side when an unexpected situation takes place.

The official also said that our armed forces has its policies on how to cope with "rub-firing" or avoid it; the armed forces also has rules of engagement (ROE) to comply with. However, since situations vary, it should be up to the command system to use its own judgment to tackle the situation then and there. After all, our most fervent hope is that both sides of the confrontation will

refrain from doing anything to worsen the situation but will instead keep it from getting near the edge. Then there will be no firing, even if a gun is rubbed.

Taiwan: Fuzhou-Based Businesses Worried About Tensions

OW2802043996 Taipei CNA in English
0119 GMT 28 Feb 96

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Feb. 27 (CNA) — Fuzhou-based Taiwan businesspeople are worried about the current tensions between Taiwan and Mainland China in the face of Beijing's expected military maneuvers in Fujian Province before Taiwan's presidential elections in March.

Hsu Chun-ta, deputy chairman of the Taiwan Business Association in Fuzhou, said on Tuesday [27 February] at a Lunar New Year Union hosted jointly by the Ministry of Economic Affairs, the Mainland Affairs Council, the Straits Exchange Foundation, and the Chinese National Federation of Industries, that the Taiwan business community in Fuzhou has already expressed grave concerns to relevant mainland Chinese authorities over the planned military exercises along the Fujian Coast.

Although both central- and local-government officials in the mainland have tried to allay Taiwan investors' worries by claiming that the upcoming military drills are just routine and that their business interests in the mainland will be protected under any circumstances, Hsu said many Taiwan investors with operations in Fuzhou, the capital city of Fujian Province, are still worried that war might erupt between the two sides.

Some high-ranking Beijing officials, including Tang Shubei, the vice chairman of the Association for Relations Across the Taiwan Strait, visited Fuzhou before the Chinese Lunar New Year to gain a better understanding of the implementation of the "Investment Law for Taiwan Businessmen" there, he noted.

Recent military movements and activities in the Fuzhou area have driven rice prices up in Fuzhou, Hsu said, adding that many mainland workers from inner regions hired by Taiwan businesses in the city, including his own factory have left for home out of fear of war.

Taiwan businesspeople who returned to the meeting from Beijing, Zhenchen [as received] and Shanghai, however, were less pessimistic than Hsu. Despite rumors of an imminent conflict with Taiwan, they said business continues as usual in those places, and that

they have been told by several mainland military leaders that Beijing's military exercises are mostly posturing to frighten Taiwan.

They also expressed support for President Li Teng-hui's call for a cross-strait peace agreement, saying that the two sides should resume negotiations as soon as possible and set up direct airlinks and transportation and mail services at the earliest possible date.

Taiwan: CPC To 'Boycott' UN Peacekeeping Activity in Haiti

OW2802011696 Taipei CHUNG-YANG JIH-PAO
in Chinese 26 Feb 96 p 4

[By Lin Chun-Teh (2651 4783 1795) from Taipei]

[FBIS Translated Text] As Haiti is improving relations with Taiwan, it is said that the CPC will boycott United Nations' peace-keeping activity in Haiti. Yesterday, an official of the ROC [Republic of China] Ministry of Foreign Affairs said that our diplomatic relations with Haiti remain stable, and such things would not affect bilateral relations.

The official pointed out: It was said even in early February that the CPC was trying to obstruct the UN peace-keeping activity in Haiti by using its influence in the UN Security Council. The Foreign Ministry is now also closely watching other covert activities of exerting pressure and creating hindrance by the CPC.

As for whether the CPC's action may affect our relations with Haiti, the official said that since our country is not a member of the United Nations, we should not overestimate our own influence and try to intervene in the United Nations' decision. He hoped that outsiders would not have too much imagination and should not excessively link the UN activity with Taiwan's relations with Haiti. He believed that relations between the ROC and Haiti would remain stable and solid.

Taiwan: Philippines Prepared To Evacuate Citizens in Taiwan

OW2802043696 Taipei CNA in English
0135 GMT 28 Feb 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Feb. 27 (CNA) — The Philippine Government is prepared to evacuate nationals working in Taiwan if an emergency situation arises in the Taiwan Strait, the Philippine representative in Taipei said Tuesday [27 February].

Armando Fernandez said that as a responsible government, Manila will do its best to protect citizens residing

overseas. He added that Manila believes the two sides of the Taiwan Strait will resolve their dispute peacefully.

Fernandez said it is only normal for the Philippine Government to make advance arrangements for evacuating its overseas expatriates in case of emergency. In 1991, he noted, Manila helped evacuate its citizens from the Middle East when the Gulf war erupted.

Fernandez said Manila sees no immediate crisis in the Taiwan Strait, however. Quoting Philippine President Fidel Ramos, he said that a stable Asia-Pacific security situation remains the vital basis for the sustained development of the region.

He said the Philippine Government believes the Taiwan mainland tensions can be worked out through negotiations.

About 90,000 Philippine nationals are currently working in Taiwan, mostly as household maids or as laborers in factories and on construction sites.

Taiwan: End of Antidrug Cooperation With U.S. Threatened

OW2802040896 Taipei CNA in English
0125 GMT 28 Feb 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Feb. 27 (CNA) — A Taiwan official on Tuesday [27 February] contradicted the US assertion that Taiwan is a major drug transshipment center, saying the country may cease cooperation with the US in cracking down on international drug trafficking unless the US stops making the accusation. Investigation Bureau Director Liao Cheng-hao said Tuesday.

Liao was refuting a report sent by US President Bill Clinton to congress on Saturday, saying that Taiwan is one of 31 countries or areas that have insufficiently cracked down on drug trafficking.

Liao said the allegation is groundless, adding that due to the intensified government crackdown on drug trafficking and use in recent years, prices for illicit drugs in Taiwan are much higher than they are in the United States, making it unlikely for drug dealers or traffickers to transship contraband narcotics from Taiwan to the US. He added that Taiwan has much harsher anti-drug laws than in the United States, including the death penalty for drug traffickers.

Only two ships sailing through Taiwan for the United States have been discovered carrying illicit drugs over the past five years, Liao pointed out. But none of the smuggled drugs landed in Taiwan or the United States

because the ships were stopped by Taiwan police, he said.

Liao said he hopes the US Government will refrain from making similar accusations against Taiwan. "Such misleading accusations have seriously tarnished the country's international image," he said.

Taiwan: Premier Lien Retains Cabinet; Names New MAC Head

OW2802085096 Taipei China Broadcasting Corporation News Network in Mandarin
2300 GMT 27 Feb 96

[From the "Hookup" program]

[FBIS Translated Text] The Kuomintang Central Committee Standing Committee on 28 February will confirm Premier Lien Chan's new cabinet appointments. All the incumbent ministers, council heads, and ministers without portfolio will be retained, except the directorship of the Mainland Affairs Council (MAC), which will be assumed by Minister Without Portfolio Chang Ching-yu.

Vice Premier Hsu Li-te has personally confirmed the new appointment.

Chang Ching-yu and the current MAC Acting Director Kao Kung-lien were informed of the new arrangements yesterday [27 February].

Chang Ching-yu, a native of Hsiangtan in Hunan, was born in 1937. He served as associate professor, department head, and director of the Institute of Foreign Affairs of the National Chengchi University. He served as deputy director of the university's International Relations Center in 1977, director of the center in 1981, director of the Executive Yuan's Government Information Office in 1984, and director of the International Relations Center of the Chengchi University and president of the university in 1987. Premier Lien Chan later appointed him to serve as minister without portfolio of the Executive Yuan.

The appointment of Chang, who is also President Li Teng-hui's mainland affairs adviser, shows that President Li and Premier Lien need Chang's expertise in handling the current cross-strait relations.

Taiwan: Li Teng-hui, Lien Chan Mark '2-28 Incident'

OW2802100696 Taipei CNA in English
0922 GMT 28 Feb 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Feb. 28 (CNA) — President Li Teng-hui braved drizzle and cold weather

Wednesday [28 February] morning to lay wreaths at a monument in the Taipei New Park, paying respects to victims of a tragic event, which took place on Feb. 28, 1947.

Li, accompanied by Chang Ching-yu, chairman of the 2-28 Memorial Foundation, Presidential Office Secretary-General Wu Po-hsiung, and Dr. Lin Tsung-i, a representative of the families of 2-28 victims, led all attendants in a silent prayer amid solemn music played by the tri-forces brass band.

In a speech made one day earlier to mark the 2-28 incident, Li urged the Taiwan public to forget and forgive. "We need a fresh start, and we need to let the sadness come to an end," he noted.

Premier Lien Chan, in an address during a ceremony held at the park later on Wednesday morning, also called on Taiwan residents to put aside bitterness of the incident. "We should not just indulge ourselves in the pathos of the past when we commemorate the 2-28 incident," he stressed. "It's time to demonstrate our power and vitality to rebuild the country."

Also witnessing the ceremony included families of the victims, Interior Minister Huang Kun-hui, Justice Minister Ma Ying-chiu, Finance Minister Lin Chen-kuo, and Taiwan Provincial Governor James Sung.

The 2-28 incident, occurring after the Kuomintang (KMT) Government recovered Taiwan from Japan, remains a political scar that has never been healed completely.

The 1947 uprising was sparked after a police beat an old woman selling untaxed cigarettes in Taipei, according to a 686-page report compiled by the Taiwan Provincial Government. The public was angered when a passerby was shot in the commotion and the assailant was given shelter in a nearby police station. Early the next morning, the Tobacco and Wine Monopoly Bureau was besieged by thousands of people demanding punishment of the murderer, but no response came.

The crowd lost control and attacked the bureau. The rioting soon spread islandwide. Along with fighting between government troops and native Taiwanese, there were also minor clashes between Taiwan natives and those who moved to the island from Mainland China.

Mention of the tragedy was long taboo, and the government made no significant attempt to break the wall of silence until July 1, 1992, when the government accepted registration by the families of those who were killed or imprisoned during the clashes.

According to statistics of a cabinet task force, between 18,000 and 28,000 were killed or missing in the incident.

A bill on compensation for the families of the victims was passed last year, allowing each family of first-grade victim to receive NT\$6 [new Taiwan dollars] million (U.S.\$219,000). So far 8,476 families filed applications for the compensation.

Earlier Wednesday morning, Taipei Mayor Chen Shui-pian officiated at another ceremony to rename the Taipei New Park as the 2-28 Peace Park, where the 2-28 memorial monument is erected.

In the evening, President Li will visit the park again and deliver a speech before kicking off a concert and play to commemorate the day.

Meanwhile, the Ministry of Education announced that facts of the 2-28 incident will be included in text books of junior and senior high schools.

The inclusion will enable younger generations of Taiwan to know better what happened in Taiwan [words indistinct] and its aftermath, a ministry official said.

The Taiwan Provincial Government said Wednesday that all historical documents, reports and pictures on

2-28 incident kept in its archives commission will be open to researchers and the public.

Democratic Progressive Party (DPP) vice presidential candidate Hsieh Chang-yen and representatives gathered in the Taichung Park Wednesday to plant trees in a bid to commemorate the 2-28 incident.

DPP legislator Yen Ching-nu said he will seek to make Feb. 28 a national holiday in Taiwan to allow the Taiwan public to commemorate the incident every year.

In southern Taiwan, Chiayi Mayor Chang Wen-ying presided over a ceremony opening the 2-28 Memorial Park in downtown Chiayi. The park features the first 2-28 memorial monument ever erected in Taiwan which was built in 1989.

Tainan County Magistrate Chen Tang-shan also officiated at a ceremony Wednesday morning unveiling a bronze 2-28 memorial monument standing in the Hsinying County [words indistinct].

Hong Kong

Hong Kong: 1997 Church Assembly Warned on 'Visa Problems'

HK2802082496 Hong Kong EASTERN EXPRESS
in English 28 Feb 96 p 1

[By Rain Ren and Louisa Lim]

[PTS Transcribed Text for FBIS] China has warned there may be visa problems for delegates attending a Lutheran Church conference in Hong Kong a week after the handover.

The Government is holding talks with Xinhua about the matter and is trying to convey to China "the sense of unease" that will sweep through the local religious community and "the very negative signal" it will send to the world.

The two governments have clashed over the Lutheran World Federation (LWF) assembly scheduled for July 8-16, 1997, after the New China News Agency (Xinhua) warned the event's organisers they should postpone the conference.

The Chinese threat sent jitters through the local community with many worrying that Beijing may curtail freedom of religion and assembly which was promised to post-colonial Hong Kong for 50 years.

A Hong Kong-based Chinese official told Eastern Express there might be a visa problem for nearly 2,000 Lutheran Church representatives if the assembly is held "too close to the handover".

He said that was what China meant when it had earlier said "technical problems" might arise.

"There should be no problem for the federation to hold their conference in Hong Kong. But as Hong Kong will be under the Chinese rule then, the visa restriction and requirement then may be different from what it is now under the British administration," the official said.

It is not known whether entry visas will be required for all representatives to the assembly.

Yesterday, a Xinhua vice-director, Zheng Guoxiong, insisted the matter should be discussed by the Sino-British Joint Liaison Group (JLG), saying that it was one of the issues which straddled 1997.

"No matter what, as long as it goes beyond 1997, it should be discussed at the JLG. We are not targeting religious matters," he said.

Zheng said China's concern over the "technical problem" had nothing to do with Hong Kong's future freedom of religion and assembly.

Last night, a government spokesman expressed surprise at China's intention to slap visa restrictions on conference members.

"Why should there be a visa problem? I do not see why there should be," he said.

"In fact the Hong Kong Tourist Association has spent tens and hundreds and thousands of dollars every year attracting just these sort of people to Hong Kong."

The Democratic Party said China's warning set a bad precedent of allowing politics and government officials to interfere with private activities.

However, the legislator Frederick Fung, who is also a member of the Beijing-appointed Preparatory Committee, yesterday played down the significance of the row saying he did not think important issues were at stake.

This attitude was echoed by a spokeswoman for the Catholic Church in Hong Kong who said she believed the dispute over the Lutheran assembly to be "an isolated incident".

"We are very confident that this will not affect the Catholic Church," the director of the Hong Kong Catholic Social Communication Office, Mary Sung, said.

"I don't think we will be shaken or lose our trust in the freedom of belief as promised in the Basic Law," she said.

Representatives of the Anglican Church were not available for comment.

Yesterday the general-secretary of the Geneva-based LWF, Ishmael Noko, reiterated his belief that the advice had been given in good faith. He said he was looking forward to meeting Xinhua representatives in Hong Kong next week and said he was confident a solution would be reached during his trip to Beijing and Hong Kong.

Hong Kong: Editorial Criticizes PRC Church Assembly Warning

HK2802083496 Hong Kong SOUTH CHINA
MORNING POST in English 28 Feb 96 p 18

[Editorial: "Gap in Understanding"]

[PTS Transcribed Text for FBIS] The Lutheran World Federation's decision to hold an assembly in Hong Kong just one week after the change of sovereignty is likely to prove expensive. Even if hotel rooms and air tickets are to be had, they will not be available at a discount. But that is the federation's problem. The federation should decide how it spends its member churches' money and

where and when it holds its assemblies. In a free society, none of this is the business of any government.

So the demand by XINHUA (the New China News Agency) that the assembly be discussed in the Joint Liaison Group shows how cut off mainland officials are from reality.

No matter when the Lutherans want to hold their assembly, they should no more have to seek permission to hold a conference than business leaders should need a licence to hold meetings of, say, the Better Hong Kong Foundation, or the Community Chest to discuss its charities. These are private functions. Government's sole role should be to ensure that venues in which meetings are held meet safety standards. This has long been the position here, and that is why, under one-country, two-systems, guarantees of freedom of association, assembly and religion have been written into the Basic Law.

Hong Kong members of the Preparatory Committee have rightly spoken out in defence of those constitutional freedoms. That is a stronger stance than many of the same people were likely to take as members of the Preliminary Working Committee. It reflects the more solid constitutional foundations of the Preparatory Committee and an evolution in the political understanding of local delegates. One of the beneficial effects of last year's elections has been to show business and political leaders that ordinary people value their rights and freedoms.

It is also apparent that there is a conceptual gap between the Chinese and Hong Kong Preparatory Committee members. But it will take time to educate mainland officials about precisely what those traditional freedoms mean. Narrowing that gap of understanding — in every sphere from the method of selecting a Chief Executive to the freedom to hold international meetings — will be a major task of the Preparatory Committee in the months ahead.

Hong Kong: XINHUA Official on 1997 Religious Assembly

OW2802095696 Beijing XINHUA Domestic Service in Chinese 0645 GMT 28 Feb 96

[FBIS Translated Text] Hong Kong, 28 Feb (XINHUA) — Zheng Guoxiong, deputy director of the XINHUA Hong Kong Branch, indicated that the XINHUA Hong Kong Branch has urged the Hong Kong Government to contact the Chinese side with regard to the holding of the "Lutheran World Federation" [LWF] assembly in Hong Kong after 1997, saying that this has nothing to do with religious freedom. He stressed that all issues that straddle 1997 must be referred to the Sino-British

Joint Liaison Group for discussion in accordance with provisions in the Sino-British Joint Declaration.

Zheng Guoxiong made the statement when answering a reporter's question at a Spring Festival reception yesterday. He said: The LWF plans to hold an assembly in Hong Kong in early July 1997 after its request to the Hong Kong British Government was approved. This is an issue that straddles 1997. But since by that time the Chinese Government will have resumed exercising sovereignty over Hong Kong and the PRC Hong Kong Special Administrative Region Government will have been established, China and British should discuss this issue. However, the Hong Kong British Government did not notify the Chinese side on this, much less request that it be discussed.

He said: The XINHUA Hong Kong Branch's request that the Hong Kong Government should contact the Chinese side on this matter has nothing to do with religion, nor with religious freedom. As all other projects that straddle 1997 have to be discussed by the Sino-British Joint Liaison Group, this is a principle for handling issues that straddle 1997.

Hong Kong: PC Member Discusses Hong Kong Reversion

HK2802032896 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Feb 96 p 5

[Article from "Hong Kong Affairs Forum" column by Henry Fok Ying-tung (7202 5391 2639): "People's Common Desire for Stability Accords With General Trend of Events"]

[PTS Translated Text for FBIS] Regarding Hong Kong, 1996 will be an extraordinary and crucial year because it will be a full working year before China resumes the exercise of its sovereignty over Hong Kong. In the year, the normal operation of the Preparatory Committee [PC] for the Hong Kong Special Administrative Region [SAR] will unite and rely on the broad ranks of the Hong Kong people to carry out and fulfill all the work and tasks prescribed in the Basic Law.

According to the provisions of the Basic Law, the work of the PC includes formation of the Selection Committee for the first Hong Kong SAR, the Selection Committee electing the chief executive of the first Hong Kong SAR and establishing the SAR government, formation of the Hong Kong legislature, and other matters.

Despite the numerous pressing tasks for preparing for the Hong Kong SAR, first, we have the Basic Law, which has fundamentally assured that Hong Kong will practice "one country, two systems" and "Hong Kong people governing Hong Kong" after 1997; second,

we have the fruitful achievements of the work of the Preliminary Working Committee, which proposed various schemes and suggestions and offered a solid foundation for the PC's choice and implementation; and third, we have the 1.2 billion people in the motherland who serve as a firm backing. Through the concerted efforts of all members of the PC, I am fully confident in fulfilling this sacred and glorious historic mission.

Looking forward to 1996, the situation in all fields is very favorable.

Reform and opening up in the motherland is thriving with each passing day and the situation is characterized by political stability, economic development, and social progress. What is the situation in Hong Kong? In my opinion, the public expects stability. As the majority of the six million Hong Kong people will continue to live in Hong Kong after 1997, they wish to see Hong Kong's stability and prosperity maintained. Hong Kong's return to the motherland is a fact which no one can change. Under this general situation, the most important thing is to set people's minds at rest. In this regard, the views of the Chinese Government and the broad ranks of Hong

Kong inhabitants are identical. Through the winds and storms we have experienced over the years, the closer we get to 1997, the people will have a clearer view and form a stronger cohesive and centripetal force.

Stability of the ranks of Hong Kong civil servants is very important. As long as there are no drastic fluctuations, they can play a positive role in the transfer of governments and in the operation of the first SAR Government in the future.

While aware of the favorable conditions, it is necessary to fully estimate and be prepared against the difficulties and troubles that might crop up on the road of advance. These problems may be political or economic. With the strong backing from the Central People's Government, I believe these problems can be resolved.

In the new year, I wish for the motherland to enjoy prosperity and the people to live in peace. I hope that Hong Kong will continue to maintain its prosperity and stability, and the people will, in their capacity as masters of their own affairs, greet the arrival of 1997.

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